

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1175170-1

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## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>MILWAUKEE</b>	OFFICE OF ORIGIN <b>MILWAUKEE</b>	DATE <b>1-26-73</b>	INVESTIGATIVE PERIOD <b>10-25-67 to 1-25-73</b>
TITLE OF CASE  <b>JOSEPH P. BALISTRIERI</b>		REPORT MADE BY <b>SA</b> <span style="border: 1px solid black; display: inline-block; width: 150px; height: 20px;"></span>	TYPED BY <b>bad</b> b6 b7C
		CHARACTER OF CASE  <b>AR</b> <span style="float: right; font-size: 2em;">261</span>	

-P-

ADMINISTRATIVE

Lengthy investigative period is noted and is necessitated inasmuch as this case was originally opened in a dead status on 1-25-67. Information concerning subject has been routed to the file since that time and this initial report includes pertinent information since that time.

LEADMILWAUKEE DIVISION

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		
							PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW
COPIES MADE:		

- (3) - Bureau (RM)  
 1 - Chicago Field Office (AIC, )  
     (RM)  
 1 - USA Milwaukee  
 2 - Milwaukee (92-717)

 92-13997-  
 12 FEB 12 1973

 REC-22  
 REC-67

EX-105

Dissemination Record of Attached Report			
Agency			
Request Recd.		CC, AAG, Criminal Division	
Date Fwd.		Organized Crime and Racketeering	
How Fwd.			
By	7 Section, Room 2744		

Notations

MAKE DATA PROC. FILE

OC 2/15 HB

FBI  
U.S. DEPT. OF JUSTICE

FEB 16 10 38 AM '73

RECEIVED  
SPECIAL INVESTIGATIVE  
DIVISION

MI 92-717

DETAILS:

This case was reopened in an attempt to determine if subject is involved in any Federal violations in connection with his known Milwaukee La Cosa Nostra (LCN) background. Case originally opened in 1967 when it was determined that subject is the son of FRANK PETER BALISTRIERI, reputed boss of Milwaukee LCN.

MI T-1 in October, 1967, advised that FRANK BALISTRIERI had or was in the process of [REDACTED]

[REDACTED]

[REDACTED]

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Based upon the foregoing, the following Milwaukee real estate records were checked by Special Agent [REDACTED] at the Milwaukee County Court House October 23, 1967: Records of Register of Deeds Office were reviewed on micro film, reel 380, images 663, 664 and 665. These filmed records reflect that a warranty deed was recorded with the Milwaukee County Register of Deeds on September 18, 1967, covering an indenture made August 31, 1967, between the Werdehoff Realty Company, Milwaukee, and JOSEPH P. BALISTRIERI covering the conveyance of the following described real estate to JOSEPH P. BALISTRIERI:

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No. one-half of Lot 9, in the Town of Milwaukee, on the east side of the Milwaukee River, in the NE fraction of one-fourth Section 29, in Township 7 north, range 22 east, in the City of Milwaukee.

Image 665 on reel 380 is a micro film of the mortgage on above-described property. This mortgage is in favor of the Standard Savings and Loan Association, as mortgagee, given by



JOSEPH P. BALISTRIERI, the mortgagor, and is dated September 15, 1967. This mortgage was recorded on September 18, 1967, in the amount of \$56,000. Tax stamps covering the conveyance of above-described property were shown in the amount of \$88, which at the going rate of \$1.10 per \$1,000, would represent a purchase price of \$80,000 for this piece of property.

It appears that JOSEPH P. BALISTRIERI, shown as the purchaser of above-described property, is in fact the son of FRANK PETER BALISTRIERI, Milwaukee LCN boss who has appealed his Federal income tax conviction.

JOSEPH P. BALISTRIERI has law office space in Midland Bank Building, West Wisconsin Avenue, Milwaukee. Based upon information from informants and other sources as to JOSEPH P. BALISTRIERI's law practice, it does not appear logical that JOSEPH has had sufficient income to accumulate from his law practice to make what appears to be a down payment of at least \$24,000 on an \$80,000 real estate purchase. The question, of course, arises as to the source of the \$24,000.

MI T-2 on December 7, 1967; saw FRANK BALISTRIERI (Milwaukee LCN boss) at the law office of his son, JOSEPH P. BALISTRIERI on [redacted] JOSEPH P. BALISTRIERI is handling the legal details in the case of [redacted]

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The "Milwaukee Sentinel," a local Milwaukee daily newspaper, reported in an article dated February 21, 1968, that the tavern license of Le Bistro A-Go-Go, formerly located at 821 North 3rd Street, has been transferred to the address of the Wayside Inn, 722 North Water Street, a building recently bought by JOSEPH P. BALISTRIERI, attorney and son of FRANK P. BALISTRIERI.

MI 92-717

The license for the [redacted]  
is in the name of [redacted] according to [redacted]  
[redacted] said the  
[redacted] location had  
been razed. [redacted] had continued to hold the license  
listed for that location, [redacted] said.

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[redacted] was described as the [redacted]  
[redacted] when it opened in [redacted]  
[redacted]

MI T-3 in June, 1968, advised that he believed  
that [redacted] local hoodlum attorney, was taking  
JOSEPH P. BALISTRERI, the son of FRANK BALISTRERI, under  
his wing to get him started in the law profession. He  
noted that JOSEPH BALISTRERI has been seen in [redacted]  
company frequently in the last couple weeks.

On August 26, 1968, Special Agent [redacted]  
reported that on July 14, 1968, [redacted] date of  
birth [redacted] date of birth.

[redacted] were arrested inside [redacted]  
[redacted] Wisconsin, attempting  
to [redacted] Subjects were charged in State of Wisconsin  
court and at preliminary hearing in County Court, Dane County,  
Madison, subject [redacted] was represented by attorney JOSEPH P.  
BALISTRERI from Milwaukee, Wisconsin. Subjects were at first  
denied bond but an appeal to Circuit Court reversed the lower  
court. At this later hearing, [redacted] was again represented by  
BALISTRERI and [redacted] by attorney [redacted] Milwaukee.  
Both were released on \$25,000 bond on July 25, 1968.

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MI T-3 advised on [redacted]  
[redacted]

[redacted] Source  
understood that JOSEPH P. BALISTRERI, son of FRANK BALISTRERI,  
is legal counsel for Del Chemical Company.

MI T-2 advised in October, 1968, that JOSEPH  
BALISTRERI, son of FRANK PETER BALISTRERI, accompanied his  
father to Chicago recently when the appeal of BALISTRERI's

income tax conviction was heard in Circuit Court of Appeals. At that time, JOSEPH BALISTRIERI petitioned the court to be allowed to practice although he did not represent his father during the appeal hearing.

An article appearing in the "Milwaukee Journal," a Milwaukee daily newspaper, on November 12, 1968, stated Attorney JOSEPH P. BALISTRIERI purchased a building at 744 North 3rd Street housing the Brass Rail, a tavern that features strip tease dancers, according to records on file in the courthouse.

[redacted]  
[redacted] said Tuesday that the Jos. Schlitz Brewing Company, the previous owner, notified him in July that the building had been sold to BALISTRIERI.

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According to a mortgage filed in the office of the county register of deeds, JOSEPH BALISTRIERI obtained a mortgage for \$63,000 from the Continental Bank and Trust Company.

According to records in the register of deeds office, the deed was transferred to JOSEPH BALISTRIERI August 31, 1967. The records showed that BALISTRIERI obtained a \$56,000 mortgage from Standard Savings and Loan Association. The records also show that on September 10, 1968, he obtained a \$125,000 mortgage on the property from the Continental Bank and Trust Company. The next day, the records show, he satisfied the \$56,000 loan.

The "Milwaukee Sentinel" a Milwaukee daily newspaper, reported on December 31, 1968, that the common council Monday granted a tavern license to operate the Brass Rail, 774 North 3rd Street, to RUDOLPH A. PORCHETTA, who already operates the Downtowner cocktail lounge, 340 West Wells Street.

The buildings are owned respectively by Attorney JOSEPH P. BALISTRIERI and by a corporation headed by his father, FRANK P. BALISTRIERI.

The former [redacted]  
[redacted]

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He said he did so because JOSEPH BALISTRIERI [redacted]  
[redacted]

MI 92-717

[redacted]  
[redacted]  
[redacted] ISADORE (IZZIE) POGROB, formerly operated the Brass Rail. He was shot to death in gangland style here in 1960.

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His body, riddled with bullets from at least two guns, was found in a Mequon drainage ditch. The murder has not been solved.

MI T-2 on May 2, 1969, advised that he received information that on April 29, 1969, [redacted] was heard to make the statement that JOSEPH P. BALISTRIERI, the son of FRANK BALISTRIERI, [redacted] The source did not know the meaning of this statement by [redacted] but was led to believe that [redacted]

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[redacted] Source did not know if the statement would mean that [redacted] [redacted] also indicated it was [redacted]  
[redacted]

In a letter from SAC, Kansas City, dated November 12, 1969, it was reported that on November 11, 1969, [redacted] United States Penitentiary, Leavenworth, Kansas, advised that JOSEPH P. BALISTRIERI was a visitor this date with [redacted] [redacted] stated he contacted Milwaukee and determined that JOSEPH P. BALISTRIERI is a lawyer from Milwaukee and a son of FRANK BALISTRIERI.

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[redacted] said he had received information from a source some time ago that after [redacted]  
[redacted]

[redacted] would take over for the Mafia at the penitentiary. [redacted] said he believes that JOSEPH BALISTRIERI's visit with the subject might have something to do with the above information.

In an article in the "Milwaukee Journal," dated May 21, 1970, it was reported that organized crime in Milwaukee - including bookmaking operations and concealed financial transactions - was described in a document entered into court records in Los Angeles Wednesday.

# Mention Frank, You Take On Joey

By WILLIAM JANZ

A few years ago, when he was just out of law school, Atty. Joseph P. Balistreri made one of his first appearances in County Court defending the enterprises of his widely known family.

Sitting in the last row of the courtroom was a state agent who continually snapped Balistreri's picture with a small camera concealed in his hand.

Now, at only 30 years of age, Balistreri has been named a court commissioner, acting as a judge in chambers, by Circuit Judge Hugh R. O'Connell.

Balistreri, known to his friends as Joey Bal, takes as good a picture today as when the agent photographed him.

A handsome man with thick dark hair edging over the high collar of his shirt, he is a walking advertisement for expensive, fashionable clothes.

His father is Frank P. Balistreri, a local nightclub operator who has been sentenced to prison and has long been a subject of interest to state and federal agents.

People in the Courthouse and Safety Building Wednesday recalled the following in discussing Balistreri's appointment:

○ Frank P. Balistreri was named as head of the Milwaukee family of the Cosa Nostra, one of 22 such families in the country, according to Sen. John L. McClellan (D-Ark.)

○ Last year Joe Balistreri was accused by an assistant United States attorney general of being a cover to conceal certain of his father's business transactions.

○ Balistreri is a close friend of Atty. Dominic Frinzi who ran against O'Connell in his judicial race.

○ In 1968, O'Connell, then a district attorney, expressed

public concern about a so-called meeting at a Balistreri night spot which included a dozen convicted criminals and 20 persons known to police.

O'Connell, who was then running for election, said the meeting was for "political purposes."

Later Joe Balistreri was incensed by a news story quoting O'Connell and wrote an angry letter in which he said he was present at the so-called meeting but that it was only a St. Joseph's Day party.

O'Connell said Wednesday that he didn't recall the incident.

○ Apparently Joe has long wanted to be a commissioner. County Judge John F. Foley said that when he was running for election in 1968 he received a call and was "offered substantial support" in his bid for the judgeship if he committed himself to naming Joe as a commissioner after the election.

He said he refused to do so. He also said he refused several other offers of support from other attorneys in exchange for naming them court commissioner. The judge said he could not remember who called him about Balistreri.

## Friendly, Cultured

Young Balistreri has spent much of his legal time in court defending his father's interest. He is an intelligent, friendly, cultured man.

The only time he becomes angry in court is when someone maligns his father. When you mention Frank Balistreri in court, you're taking on Joey.

Last year Joe nearly knocked over a chair in one court when he jumped up shouting at an assistant district attorney who talked about his father and the crime syndicate.

"When the Irish get together," young Balistreri said sarcastically once in an interview, "it's a party. When the Jews

get together, it's to give somebody an award. But when the Italians get together, it's always a meeting of the Mafia."

He maintained that he and his family have been the victim in life of the kind of thing Don Basilio talks about in the Barber of Seville:

"A calumny begins as a little wind in the ear, very softly, very gently," Joey said, "and as it is passed around it gains strength and force and becomes an explosion greater than a cannon shot. The victim of this has no recourse. All he can do is hang his head in public. He is the scourged one."

He added, "Any victim of slander knows what I mean."

Last fall he was asked about the charge that he was a cover for some of his father's business transactions.

"That's totally untrue, that's a lie," he said. "You can see the horrible effect of that on me as a lawyer."

At that time Joey also spoke of the word "Mafia."

"I never heard that word, and I was brought up in an Italian family and I spoke Italian," he said. "I never heard that word until I read a book by Ed Reid, 'The Mafia.' I don't know who is responsible for that particular sobriquet but it's around to haunt every Italian."

"You can deny it exists and no one would believe you. There are movies, books, newspaper articles about it and everyone assumes it's in existence. It's titillating to certain people."

Joey's office is the office of a successful young lawyer. It is rich looking. His desk is a huge half-circle.

When a reporter visited the office a few months ago, there was a blackboard with the following written on it: "In the halls of justice, the only justice is in the halls — Joey Bal."

## Explains Origin

He said he was not referring to local courts but it seemed a strange thought for an attorney who was to become a court commissioner.

Balistreri explained that he wrote it after he handled a case for a friend who was thrown in jail for kidnaping his own child. By the time Joey got him free the quote meant something to him and the Balistreris as well as his friend. So he wrote it on the blackboard.

But now the Balistreris, who have been severely criticized, have an honor most people wouldn't have expected. Son Joey is a court commissioner.

Twenty judges confirmed the appointment. Many of the other ten judges in the county were either unavailable or weren't asked. Only a few said they wouldn't sign.

MI 92-717

[REDACTED] FRANK BALISTRERI's  
Kings IV Nightclub. Source understood that [REDACTED]

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[REDACTED]  
[REDACTED] The rumor indicated [REDACTED]  
[REDACTED] with JOSEPH  
BALISTRERI, the son of FRANK BALISTRERI, regarding [REDACTED]

[REDACTED]

The source said BALISTRERI, [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED] BALISTRERI would probably

[REDACTED]

MI 92-717

An article in the "Milwaukee Journal" dated November 9, 1971, reported that former Milwaukee nightclub operator FRANK P. BALISTRERI, his son, Attorney JOSEPH P. BALISTRERI and four other persons were named in a 10 count criminal indictment handed down Tuesday by a Federal Grand Jury here.

The indictment charged the six with conspiracy to conceal the true ownership of the Kings IV, a night spot at 720 North Water Street. The indictment alleged that as part of the conspiracy, the younger BALISTRERI covered up his father's interest in the night spot.

According to the indictment, the nightclub was

[redacted]  
[redacted] whose  
last known address was [redacted]

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(Mount Clipping in Space Below)

# Balistreri Mortgages Top \$900,000

Mortgages totaling more than \$900,000 involving Atty. Joseph P. Balistreri have been recorded in the Register of Deeds office here.

Balistreri bought the Shorecrest Hotel, 1962 N. Prospect Ave., last week.

Ald. Allen R. Calhoun Jr. was involved in both the sale of Shorecrest and the sale of an East Side property to Balistreri that Balistreri also mortgaged last week.

County records Tuesday showed the following:

• The title to Shorecrest was transferred to Balistreri on Dec. 14. The transfer fee was \$875, indicating a sale price of \$875,000 for the building and the land, officials said.

• A mortgage of \$656,000 involving Shorecrest was made between Balistreri and First Federal Savings & Loan Association.

• Another mortgage of \$250,000 was recorded between Balistreri and Midland National Bank.

The property listed here is on the northeast corner of E. Kenilworth Pl. and N. Lake Dr. Balistreri bought this for \$110,000 last June.

Harold Barian, a vice president of Midland, said that the property was only part of the collateral in the transaction with Balistreri.

Calhoun and Jay Barrett appraised the property when it was part of the estate of Miss Ethel Magie, of 2004 E. Lafayette Pl. The Barrett Realty Co. received a commission of \$6,600 on it when it was sold to Balistreri, records showed.

There was no mortgage recorded on it after Balistreri took it over.

When Miss Magie died in 1969, Calhoun appraised the property at \$115,000. The city had assessed it at about the same level.

At a hearing in May, County Judge Michael T. Sullivan asked Calhoun why the sale price was less than his appraisal figure.

The alderman said the property had deteriorated and that Balistreri's offer was the only written offer that had been received.

"My opinion is that the \$110,000 is a very fair price because the property has gone down in maintenance since the death of Miss Magie," Calhoun said.

Patrick T. Sheedy, attorney for the estate, said at the hearing that Calhoun "has been very co-operative in attempting to find a purchaser despite the fact that he was one of the original appraisers, which we have informed the heirs."

"It appears to me there's no conflict in this matter because he's well acquainted in this area and has been assisting the estate in trying to find buyers."

Calhoun also said that he saw no possibility of conflict of interest in acting as appraiser and aiding in the sale because the property "had been on the market for a long time."

He also said that he had received a commission from the sale but declined to reveal how much. However, he said that it was "much less" than the \$6,600 received by Barrett's firm.

Calhoun told the court that the property was 150 feet by 150 feet and consisted of four single family dwellings and one three-family residence. Court records show that five of the units were renting then for \$200 a month and two units rented for \$175 each.

Balistreri's name was not mentioned during the hearing. He could not be reached for comment.

Calhoun also could not be reached Tuesday.

Sullivan approved the request for the sale.

Calhoun was a boyhood friend of Frank Balistreri, Joseph's father, who is now serving a year in federal prison.

Another record filed with the county is a financing statement listing Joseph Balistreri as the debtor and Midland National Bank as the secured party.

The statement covers all the fixtures and equipment in the Kings IV, 720 N. Water St.

Barian said that this was part of the collateral Balistreri put up with the Kenilworth property. He said the transaction also included the \$46,000 promissory note Balistreri signed, which is recorded in the Register of Deeds office.

The collateral on this also is Shorecrest.

Frank and Joseph Balistreri are under a federal indictment charged with conspiracy to conceal the true ownership of the Kings IV. In November, 1970, the First Federal Savings & Loan Association bought the four story building that houses the Kings IV from Joseph Balistreri.



(Mount Clipping in Space Below)

# Large Loans Used to Buy Shorecrest

By Alex P. Dobish  
of The Journal Staff

Atty. Joseph P. Balistreri borrowed \$952,000 to buy the Shorecrest Hotel for \$1,001,000, records and other sources indicated Wednesday.

The First Federal Savings & Loan Association loaned him \$656,000, and the Midland National Bank loaned \$296,000, according to records filed with the County Register of Deeds.

There was no indication where Balistreri got the balance. Balistreri could not be reached.

The title to the hotel, at 1962 N. Prospect Ave., was transferred to Balistreri Dec. 14. A transfer fee of \$845 was paid to the county, indicating a price of \$845,000 for the land and building.

Other sources said Balistreri paid an additional \$156,000 for hotel contents.

## 2nd Transaction

The loan from First Federal was the second major transaction Balistreri has had with First Federal. In November,

1970, First Federal bought the building housing the Kings IV night spot, 720 N. Water St., in the heart of a block that the loan firm is to redevelop.

Balistreri and his father, Frank P., now in prison on an income tax evasion conviction, were indicted later on conspiracy charges stemming from ownership of the Kings IV.

First Federal paid the son a reported \$575,000 for the Kings IV building because it was considered vital to the redevelopment program, but negotiations had begun at a much lower price, it was learned.

In addition, First Federal agreed then to commit itself to finance purchase of a building for Balistreri anytime during the next 12 months. The loan was not to exceed \$950,000, according to sources.

## 2 Loans

The Midland bank made two loans, one for \$250,000 and the other for \$46,000, according to county records.

Records indicate that the \$250,000 was secured by property Balistreri owns at 2200-16 E. Kenilworth Pl., which he bought last June for \$110,000 from an estate.

which consists of five apartments was appraised by Ald. Allen Calhoun, who has a real estate license and is a long time acquaintance of Frank P. Balistreri, the father.

Calhoun said he received an appraiser's fee but would not disclose it. Calhoun also helped arrange the sale of the Shorecrest. In that instance, he denied receiving a commission on the \$1 million sale.

## Assessed at \$115,000

The Kenilworth property is assessed by the city at about \$115,000. Ronald Frary, executive vice president of Midland, said the \$250,000 loan was secured by other collateral besides the Kenilworth property. Frary declined to say what it was.

Midland loaned the \$46,000 on a promissory note covering equipment and fixtures in the Kings IV.



Joseph P. Balistreri

## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MILWAUKEE	OFFICE OF ORIGIN MILWAUKEE	DATE 4/24/73	INVESTIGATIVE PERIOD 6/2/72 - 4/2/73
TITLE OF CASE JOSEPH P. BALISTRIERI		REPORT MADE BY SA [REDACTED]	TYPED BY jar
		CHARACTER OF CASE AR	

## REFERENCE

Milwaukee report of SA [REDACTED] dated 1/26/73.

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## ADMINISTRATIVE

Investigative period predates re report in order to include pertinent information not previously available nor reported.

[REDACTED] advised SA [REDACTED] confidentially that they [REDACTED] and will be resulting in guilty pleas by individuals connected with that investigation

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ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES			
						NONE	PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED [Signature] SPECIAL AGENT IN CHARGE

COPIES MADE:

- 3 - Bureau (92-13997) (RM)
- 1 - USA, Milwaukee
- 1 - Chicago (Attorney-in-Charge, AIC, Chicago Field Office [REDACTED] (RM)
- 2 - Milwaukee (92-717)

DO NOT WRITE IN SPACES BELOW

92-13997-2 REC-19

22 MAY 8 1973

EX-103

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Dissemination Record of Attached Report			
Agency	CC. AAG	Criminal	Division
Request Recd.			
Date Fwd.	Organized Crime and Racketeering		
How Fwd.	54 MAY 10 1973		
By	1-DEED		

Notations:

DATA PROC

MI 92-717

in the near future.

[redacted] indicated that JOSEPH BALISTRIERI might also be charged with obstruction of Justice in that they had evidence [redacted]  
[redacted]

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INFORMANTS

MI T-1 is [redacted] who was interviewed concerning Milwaukee LCN activities. [redacted] contends that he [redacted]  
[redacted]

MI T-2 is [redacted] contacted by SA [redacted] on 1/23/73. [redacted]

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MI T-3 is [redacted] contacted by SA [redacted] on 4/6/73. [redacted]

LEAD

MILWAUKEE DIVISION

At Milwaukee, Wisconsin

Continue to follow activities of subject and report same.

COVER PAGE

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Milwaukee  
1 - Chicago (Attorney-in-Charge, AIC, Chicago Field Office, [REDACTED] (RM)

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Report of: SA [REDACTED]  
Date: April 24, 1973

Office: MILWAUKEE

Field Office File #: MI 92-717

Bureau File #: 92-13997

Title: JOSEPH P. BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: MI T-1 advised that subject is probably the third most important man in Milwaukee LCN. Subject continues employment in office of Catania, Balistrieri, Cataldo, and Colaico Law Firm, 212 W. Wisconsin Avenue, Milwaukee. Subject reportedly resides at the family home with father FRANK, currently LCN boss.

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DETAILS: MI T-1 advised on June 2, 1972, [REDACTED]

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[REDACTED] Source provided a list of important individuals in the Milwaukee La Cosa Nostra (LCN) and listed JOSEPH BALISTRIERI, son of FRANK, as the third most important person in the Milwaukee LCN.

MI 92-717

MI T-2 advised in January, 1973, that he had personal knowledge that a friend of his, [redacted] (last name unknown), [redacted]

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At 10 o'clock AM on March 6, 1973, spot check of the Shorecrest Hotel, North Prospect Road, revealed that subject's car, Thunderbird, hard top, 1973 Wisconsin license 830-679U was parked in the lot adjacent to the building. Shorecrest Hotel is reportedly owned by subject and is listed as one of his residences.

On March 7, 1973, subject's new office at 212 West Wisconsin Avenue, Room 1114, was observed. Subject continues in the employment of Catina, Balistrieri, Cataldo, and Colaico Law Firm. It was also noted that on the same floor were the offices of the American Programming Incorporated,

On April 2, 1973, MI T-3 advised that he had recent information that FRANK BALISTRIERI had recently [redacted]

[redacted] Source advised that Mrs. BALISTRIERI is [redacted] and that JOSEPH also does for the most part. Source advised that apparently FRANK has [redacted]

b6  
b7C  
b7D



In Reply, Please Refer to  
File No.

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Milwaukee, Wisconsin  
April 24, 1973

Title	JOSEPH P. BALISTRIERI
Character	ANTI-RACKETEERING
Reference	Report of Special Agent <span style="border: 1px solid black; display: inline-block; width: 200px; height: 1.2em; vertical-align: middle;"></span> dated and captioned as above at Milwaukee, Wisconsin

b6  
b7c

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

All informants listed are considered reliable except MI T-1 who has not provided sufficient information to be evaluated.

## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>MILWAUKEE</b>	OFFICE OF ORIGIN <b>MILWAUKEE</b>	DATE <b>7-23-73</b>	INVESTIGATIVE PERIOD <b>4/26 - 7/5/73</b>
TITLE OF CASE  <b>JOSEPH P. BALISTRIERI</b>		REPORT MADE BY <b>SA</b> <span style="border: 1px solid black; display: inline-block; width: 150px; height: 1.2em; vertical-align: middle;"></span>	TYPED BY <b>mfs</b> b6 b7C
		CHARACTER OF CASE  <b>AR</b>	

REFERENCE

Milwaukee report of SA  dated 4-24-73.

- P -

ADMINISTRATIVE

For information of receiving offices, subject is the son of Milwaukee LCN boss FRANK BALISTRIERI. He is reputed to be an influential person in the LCN; however, is not known to be a member.

ACCOMPLISHMENTS CLAIMED				<input checked="" type="checkbox"/> NONE	ACQUIT-TALS	CASE HAS BEEN: PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES		
APPROVED				SPECIAL AGENT IN CHARGE		
COPIES MADE: 3 - Bureau (92-13997) (RM) 1 - USA, Milwaukee 3 - Chicago (RM) 1 - (AIC, Chicago Field Office, <span style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em; vertical-align: middle;"></span> ) 2 - Denver (RM) 2 - New York (RM) 3 - Milwaukee (92-717)				DO NOT WRITE IN SPACES BELOW		
				92-13997-5 JUL 30 1973 EX-105 b6 b7C		
				DISSEMINATION DATA PROC		
				NOTATIONS FBI		
Dissemination Record of Attached Report						
Agency	CC. AAG, Criminal Division					
Request Recd.	Organized Crime and Racketeering					
Date Fwd.	Section Room 2173					
How Fwd.	By					

MI 92-717

[redacted] on 6-25-73. provided [redacted]

b7D

b6  
b7C  
b7D

Complete results of [redacted] may  
be obtained through the issuance of a subpoena duces tecum  
submitted to [redacted]

b6  
b7C  
b7D

INFORMANTS

MI T-1 is [redacted] contacted by SA [redacted]  
various times during April 1973.

b6  
b7C  
b7D

MI T-2 is [redacted] contacted by SA [redacted]  
[redacted] on 4-25-73.

MI T-3 is [redacted] contacted by SA [redacted]  
on 5-8-73.

MI T-4 is [redacted] contacted by SA [redacted]  
on 5-18-73.

COVER PAGE B



MI 92-717

[ ] MI T-5 is [ ] contacted by SA [ ]  
[ ] on 6-3-73.  
[ ] MI T-6 is [ ] contacted by SA [ ]  
[ ] on 6-28-73.

b6  
b7C  
b7D

LEADS

CHICAGO DIVISION

At Chicago, Illinois

Provide [ ]  
and provide any pertinent background information available.

b7D

DENVER DIVISION

At Denver, Colorado

Same as Chicago.

NEW YORK DIVISION

At Queens Village, New York

Same as Chicago.

MILWAUKEE DIVISION

At Madison, Wisconsin

Same as Chicago.

At Milwaukee, Wisconsin

Continue to follow activities of subject and  
report same.

COVER PAGE C\*

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Milwaukee  
1 - Chicago, AIC, Chicago Field Office, [REDACTED]

b6  
b7C

Report of: SA [REDACTED]  
Date: July 23, 1973

Office: Milwaukee

Field Office File #: MI 92-717

Bureau File #: (92-13997)

Title: JOSEPH P. BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: Subject is the Secretary and Legal Counsel of the Del Chemical Company, which is currently under investigation by the Wisconsin Department of Justice for alleged bribery within the Chemical Industry in Wisconsin. Various source information provided during the investigative period continues to indicate subject is a leading figure in the Milwaukee LCN. Subject attended a celebration on 6-3-73, for [REDACTED] On 6-18-73, subject was hit by an automobile and is currently hospitalized in serious condition. Milwaukee PD reports that they have no indication the accident was intentional.

b6  
b7C

- P -

DETAILS

During May 1973, the Wisconsin Department of Justice initiated an investigation into an alleged fraud in the chemical industry. Among the companies being investigated, [REDACTED] an LCN associate. The subject is the Secretary in Legal Council [REDACTED]

b6  
b7C

(Mount Clipping in Space Below)

# Del President Flaunts His Gun and His Money

By David L. Offer  
and Stephen L. Castner  
of The Journal Staff

The president of the Del Chemical Corp. of Menomonie Falls likes to wave a gun around in public.

He gambles with \$100 chips in Reno casinos and has been known to win or lose \$25,000 in a night.

The Del president, Rocco Youse, is a close friend of Andrew Lococo, a former Milwaukeean who was convicted of perjury in 1970 for lying to a federal grand jury about telephone calls to Wisconsin gamblers.

Youse flies a private airplane valued at more than \$150,000; drives Cadillacs, Lincolns and a 1970 Rolls-Royce and owns two homes, one valued at more than \$100,000.

He founded Del and in 10 years has expanded his business into four corporations with annual sales of \$17 million. From the start, Del offered cash and merchandise to municipal officials in an attempt to sell more chemicals.

Del is one of several firms involved in a statewide probe of chemical company sales tactics by a John Doe inquiry underway in Oshkosh since January.

Details of Youse's life were gathered by The Milwaukee Journal in Wisconsin, Nevada and California.

The newspaper twice requested interviews with Youse. Both requests were turned down by Joseph P. Balistreri, his attorney, who also rejected a proposal that Journal reporters be allowed to tour Del's headquarters in Menomonie Falls and the headquarters of its sister corporations — MuniChem and Premiums Inc. — in Reno.

Balistreri confirmed that Del has given premiums to municipal employees, as do other chemical sales firms, but vigorously denied that the premiums were bribes.

"Anyone who suggests that Del Chemical is engaged in the systematic breaking of a law or offering bribes to any pub-

lic employee is deeply in error," Balistreri said. "It had never been the company policy to bribe anyone, be it a public employee or the purchasing agent for a private corporation."

He also said: "There was no need for an investigation. If anybody had any quarrels with the Del premium policies, all they had to do was say 'stop it,' and it would have been stopped."

Robert Ernest Youse — a name later legally changed to Rocco Youse — was born on Feb. 3, 1925, in St. Louis and was raised on a farm in Sedalia, Mo., where he was graduated from high school.

Few details of his early life are known publicly.

After graduating from high school in Sedalia, he spent some time in military service and, for a short time, was a professional boxer. He then gravitated to the business world and was a salesman for

## Links Feat

Rocco Youse, president of Del Chemical Corp., teamed with Claude Coffel, a club member, in a perhaps unique golf feat at the old North Shore Country Club.

Coffel, teeing off first on the 183 yard, 14th hole, got a hole in one.

"If you can do it, so can I," said Youse, a left hander with a 20 handicap.

And he did.

It was the first known case of a right handed-left handed golf team ever scoring consecutive aces in the world.

The opponents of the day were Lawrence Gardner and Paul Des Jardins. At the time Des Jardins was a Del employee. He has since become president of Share Corp., of Brookfield.

(Indicate page, name of newspaper, city and state.)

A-1  
The Milwaukee Journal  
Milwaukee, Wisconsin

Date: 5/13/73  
Edition: Latest  
Author:  
Editor: Richard H. Leona  
Title:

Character:  
or  
Classification:  
Submitting Office: Milwaukee

area before entering the chemical industry as a salesman for National Chemical Corp. in the Midwest in 1953.

#### Former Own Company

In October of 1962 he was hired by DL Corp. in Milwaukee as a chemical salesman and, four months later, split from that company and formed the Del Chemical Corp.

Del did an estimated \$10 million in sales last year. MuniChem did an estimated \$7 million.

During the early days of Del's growth, Youse bought a 49 acre estate in Germantown which is now valued at \$124,600, according to tax assessment records at the Washington County Courthouse.

He had a \$1,600 a month apartment in Phoenix which he used until 1966, when he moved into his new \$140,000 home in Reno. He also owns a duplex valued at \$40,000.

#### Estate Called "Roccorosa"

Youse's Germantown estate is named "Roccorosa," a play on words after the Ponderosa ranch of television fame. Youse hired a stonemason and a blacksmith to build the 600 foot long fence and wrought iron archway which set off the front 600 feet of the estate. Moquon blacksmith Lars Carlson designed and built the hand-tooled archway with the name "Roccorosa" centered on it.

The ironwork cost about \$10,000. Youse was charged another \$5,000 for the 21 seven foot stone pillars which support the fence.

The estate includes a swimming pool, bridle paths and a flower bed in the shape of a letter "Y."

#### Fountain of Martinis

"Roccorosa" was the scene of a lavish party in 1955 or 1966 which is still remembered and discussed by the 200 to 300 persons who attended and by many who were not there but have heard of it.

The features of the evening were live professional entertainment brought in from Chicago and fountains that spouted martinis.

Youse has spent less time in Wisconsin, however, since moving into his new home at Reno in 1965.

in the area, is a member of an exclusive local club and gambles in the casinos.

#### Uses \$100 Chips

The Riverside Casino in Reno is "one of Youse's favorite hangouts," according to Wallace Wroting, former head of security at the casino.

Wroting said Youse likes to play blackjack with \$100 chips and plays only head-to-head with the dealer. Often Mrs. Jessie Beck, the 70 year old owner of the casino, deals for Youse.

Wroting said Youse has unlimited credit at the casino and has won as much as \$25,000 in a night. Other winning nights recalled by Wroting included totals of \$16,000 and \$12,000.

#### Gambles Alone

Wroting said Youse didn't like others to gamble at the same table with him. His high stakes games usually discouraged other players but, Wroting said, one evening someone else sat down at the table. Youse "had money to burn" so he had the minimum bet raised from \$100 to \$500, which forced the other player out, Wroting said.

Both in Reno and in Wisconsin, Youse is known to carry a .38 caliber pistol, for which he has a permit.

"He was almost always armed," Wroting said. Casino rules prohibit carrying firearms, and after Youse was first noted carrying a gun, Wroting asked him to check it with casino guards when gambling.

#### Waved Gun in Air

Youse "likes to show off, to make a big thing of the gun," Wroting said. "He'd flash it ... or he'd sit at the table and wave it in the air so we'd come over and get it."

Wroting said Youse was once ejected from the casino because of his conduct and language.

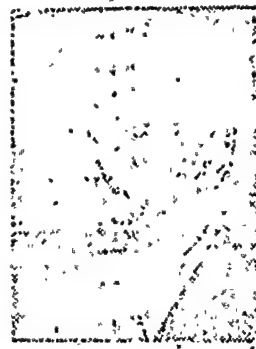
"He was winning and had been drinking," Wroting said. "Then he got pretty insulting and we asked him to leave. He told us what we could do with ourselves so we threw him out."

Wroting had been a deputy sheriff in Reno and a policeman in Los Angeles before going to work at the casino. He now is a businessman in Elko, Nev.

Paul Des Jardins, new president of the Share Co. in Brookfield, also told about Youse's guns.

In testimony in a lawsuit filed by Del after Des Jardins quit to form a competing chemical sales firm, Des Jardins was asked to discuss why he left Del.

He cited several reasons, among them "Rocco Youse,



Frank Balistrieri

for example, carrying guns around the company and every place he went."

Another former Del employee told The Journal: "Youse carried a gun in his pocket, not occasionally but all the time. When he'd come in in the morning he'd throw the stuff on the desk — the clip, the whole bit."

Another incident involving Youse was described by Elko policeman Clyde (Rusty) Walters, who worked for Del and MuniChem in 1968.

While employed by Youse, Walters said, he was called on to help the Del president move into his new house.

"I picked up a box," Walters said. "It was quite heavy and I dropped it. Out came several .45 automatics, shoulder holsters and so on."

Soon after that, Walters quit working for Youse.

He took the information about Youse's pistols to the intelligence section of the Reno district attorney's office.

#### Slot Machines Shipped

He also told the district attorney's office that he had shipped three slot machines from Del's Reno warehouse to the firm's Menominee Falls plant.

The machines were placed in 55 gallon drums normally used for chemicals and placed on the chemical shipment truck, Walters said.

The slot machines were not the only personal items shipped by truck to Milwaukee for Youse. On occasion, Walters said, Youse's personal

while visiting.

In addition to Wisconsin, several residents went to Reno to be with the Del president.

One man who visited Youse was Milwaukee night club owner Frank Balistrieri.

#### Gambler Visits Youse

Frank Balistrieri attended a MuniChem office party at Varlo's Restaurant in Reno in August of 1971 and on another occasion was seen by Walters in Youse's office in Reno. He also visited the Reno warehouse where Del and MuniChem stored premiums that were sold to salesmen. Some salesmen in turn used the premiums to induce municipal buyers to purchase chemicals. Youse has also been visited by Milwaukee gambler Tony Machi.

Machi was a witness at the Oshkosh John Doe on Feb. 28.

Another frequent Youse associate is Annunzio Ferraro, whose title is assistant to the president of Del.

Ferraro was once a professional boxer and later worked as a bouncer at The Scene, a Milwaukee restaurant owned by Peter Balistrieri, who is Frank Balistrieri's brother. Ferraro has testified at the John Doe twice.

The Del-MuniChem president also is a close friend of Lococo and held corporate sales meetings at the Cockatoo, a restaurant and luxury motel in Hawthorne, Calif., formerly owned by Lococo.

Youse usually took a two-room suite at the Cockatoo.

Court records in California include a presentence report compiled from FBI files by an assistant US attorney which stated that the relationship between Lococo and Frank Balistrieri was "an extremely close one involving numerous financial ties."

After Lococo's conviction for perjury, the California Horse Racing Board barred him from all racetracks in the state. That order also prohibits Lococo from parimutuel betting on horse races.

The board also has a tie on Youse because the Del presi-

dent owns at least two race horses. One is named Mr. Cockatoo after Lococo's restaurant. Another is called Rococo's Lady.

According to Len Foot, chief investigator for the Horse Racing Board, "everytime Youse would come out here, Andy's (Lococo) limousine would pick him up. He'd stay at the Cockatoo. There's no question they were very close."

Lococo particularly liked to be at the track when Mr. Cockatoo was racing. This became difficult after the racing board order.

On April 8, 1972, Lococo rented a helicopter and hovered over the starting gate at Santa Anita to watch the horse race. It placed third.

Since moving to Reno, Youse has received considerable newspaper publicity, much of it detailing the growth of Del and the building of new facilities for MuniChem.

#### Donates Trophies

Those articles refer to him as a substantial businessman.

He has also received favorable newspaper publicity for donating trophies and scholarships to local high school athletes.

He sponsored the first annual Italian-American golf tournament in Reno and invited several Milwaukee friends to attend. In the first tournament, held June 28, 1971, Tom Machi of Milwaukee had a net 63 and was pictured in the Reno newspapers with Youse.

#### Joins Exclusive Club

Reno newspaper files also show that when ground was broken for the MuniChem plant on July 23, 1972, one of those turning the first shovelful of dirt was US Sen. Howard Cannon (D-Nev.).

Soon after he moved to Nevada, Youse joined the exclusive Prospectors Club. That wasn't the first private club to which he belonged.

In 1936, Youse lost his membership in the North Hills Country Club in Menomonee Falls after conduct which one former officer called "loud, boisterous and obnoxious." He was summoned before the board of directors to explain his conduct but did not appear. The board then rescinded his membership.

Youse then joined the North Shore Country Club in Mequon.

There, after a fist fight and

an arrest, his membership was suspended; later it was reinstated.

A past president of North Shore said that on June 7, 1967, shortly before 1 a.m., "I came upstairs and mentioned to the bartender that it was time to close the bar."

Youse was at the bar at the time and another member came in.

The bartender tried to close the bar but Youse argued.

The other member entered the dispute on the side of the bartender.

A fist fight broke out between Youse and the other member.

#### Youse-Arrested

Mequon police were called and arrested Youse on charges of disorderly conduct. Police records in Mequon describe Youse's conduct as "loud and abusive."

He was fined \$75 in Ozaukee County Court.

The North Shore fist fight was not the only one mentioned to Journal reporters in their investigation.

A former employe of Del said he fought with Youse at the Menomonee Falls plant and ended up "with the concrete floor looking me in the face."

Photo by Reno Photo Service

Left: Youse's Reno home is valued at \$140,000.

(Mount Clipping in Space Below)

# The Cost of Bribes Was

By David M. Offer and  
Stephen L. Castner  
of The Journal Staff

"They were sort of like a sign of appreciation," George M. Anderson, former operator of the Whitewater sewage treatment plant, said of the bribes he pleaded guilty to accepting. "I always thought it was all right."

The story that Anderson told last week of his experience with bribe passing chemical salesmen, then with the law, is one of confusion and contradiction. He still cannot equate his acts with wrongdoing, even though he will go to jail Friday for 100 days.

Last March, soon after Anderson became suspected of accepting bribes, he had told The Milwaukee Journal:

"These chemical salesmen drive me up the wall. I don't even like to talk to them."

## Accepted US Bonds

But Anderson, 45, explained last week that he did talk to them, because of their pressure tactics. He accepted merchandise and at least 14 US Savings Bonds from them.

He took gifts, he said, but it was not in the corrupt manner that most persons associate with bribery.

He did not know that it was illegal to accept gifts, he continued, but he acknowledged that ignorance of the law was no excuse.

And in the end, he walked to court and pleaded guilty to accepting bribes from United Laboratories Inc. of Addison, Ill.

Walworth County Circuit Judge Erwin C. Zastrow sentenced Anderson last week to 100 days in jail and fined him \$10,000.

"I was the one who was stupid enough to take the stuff."

"I'm the one who has to pay," Anderson said after he pleaded guilty.

## Others Confused, Too

He maintained, however, that the persistent salesmen pressured him into accepting the bribes. One salesman said "bonds were perfectly legal," Anderson recalled.

Other municipal employees who were witnesses at the John Doe investigation at Jackson into chemical sales kickbacks also told reporters that they were confused.

Some said or implied that bribes had a dollar limit, that only expensive merchandise or hundreds of dollars in kickbacks could be considered bribes.

Armed with the state law and testimony from Anderson and others, however, state prosecutors have secured criminal convictions of two chemical companies, two salesmen and three municipal employees. More convictions are expected.

Atty. Gen. Robert W. Warren said:

"No distinction should be drawn between receiving a \$25 kickback or a \$2,500 kickback. Each such instance is not only against the laws of this state, but also has a shattering effect on the public's trust of its public servants."

The bribery statute provides for fines of up to \$1,000 or imprisonment for not more than 5 years or both.

It applies to:

"Whoever, with intent to influence the conduct of any public officer or public employee in relation to any matter which by law is pending or might come before him in his capacity as such officer or employee or with intent to induce him to do or omit to do any act in violation of his lawful duty transfers or promises to him or on his behalf any property or any personal advantage which he is not authorized to receive; or

"Any public officer or public employee who directly or indirectly accepts or offers to accept any property or any

personal advantage, which he is not authorized to receive, pursuant to an understanding that he will act in a certain manner in relation to any matter which by law is pending or might come before him in his capacity as such officer or employee or that he will do or omit to do any act in violation of his lawful duty."

The John Doe investigation began Jan. 18 at the direction of Gov. Lucey, who said bribery by chemical firms was "a matter which is statewide in nature, importance and influence."

Winnebago County Circuit Judge William E. Crane is conducting the probe. Agents of the organized crime section of the state Justice Department worked on the case for 18 months before the John Doe began.

Witnesses are being questioned by Asst. Attorneys General Peter A. Peshek and Grant C. Johnson.

After testimony by Anderson and others, Nicholas J. Savaiano, president of United, admitted that giving savings bonds in Wisconsin was company policy.

United was convicted March 29 of bribing Anderson 14 times with savings bonds. The conviction carried a fine of \$1,000 for each of the bribery acts; for a total of \$14,000.

State prosecutors received their first big break in the case when Savaiano and a United salesman, George Starr, agreed to identify the municipal employees the company had bribed.

## Nearly 100 Witnesses

Nearly 100 witnesses have testified at the John Doe, most of them either municipal employees or chemical salesmen. Many have concealed their identities from reporters.

One municipal employee who bought chemicals from Starr was Leroy Schaefer, street department foreman in the small Jefferson County city of Waterloo.

(Indicate page, name of newspaper, city and state.)

A-1  
The Milwaukee Journal  
Milwaukee, Wisconsin

Date: 5/9/73

Edition: Latest

Author:

Editor: Richard H. Leonard

Title:

Character:

or

Classification:

Submitting Office: Milwaukee



Schaefer, a city employee for 25 years, told The Journal April 11 that he accepted small home appliances, fishing gear and \$5 and \$10 kickbacks from Burt Ische, a salesman for Del Chemical Corp. of Menomonee Falls.

From United, Schaefer said he accepted small appliances, two portable black and white television sets and United States savings bonds.

Schaefer, a soft spoken, stooped shouldered man who earns \$3.55 an hour, did not attempt to hide his wrongdoing after he was served with a subpoena for the John Doe.

He immediately went to the city attorney and listed all the bribes he had accepted. The attorney told Schaefer he should hire a lawyer of his own because city attorneys have the responsibility of suing those who wrong their cities.

#### Fast Talking Salesmen

Schaefer, however, maintained that he did not want another lawyer. He wanted to admit his wrongdoing to the city council, according to court testimony.

The council decided not to sue or take legal action against Schaefer if he would turn all of his bribes over to the city. Schaefer did, and the city attorney then agreed to act as his personal lawyer.

When questioned by a reporter, Schaefer repeatedly said:

"I don't know what they are going to do with me," referring to the state Justice Department and county court.

City officials believed Schaefer was the victim of fast talking salesmen who began giving him small gifts several years ago and then got a secure hold on him with television sets and money.

The sympathy for Schaefer was so great among city officials that the city clerk at first refused a reporter permission to examine city ledgers which, by law, are available for public inspection.

#### Pleaded Guilty

"I know what you're looking for. We're not giving out any information till this is all out in the open," she said.

After consulting with the city attorney, the clerk produced the records.

Two days after Schaefer spoke with the reporter, on April 10, he pleaded guilty to four counts of accepting bribes from United and was sentenced by Jefferson County Judge William Brandel to 45 days in jail and fined \$3,000.

The \$15,525 worth of chemicals under purchased from United between 1968 and 1972 cost each resident of Jefferson \$2.50; the \$8,155 purchased from Del over the same period cost each resident \$3.62.

Schaefer could have received 95 years in prison and a \$19,000 fine if he had been prosecuted for all of the bribes he accepted, according to Asst. Atty. Gen. Johnson.

But Schaefer decided instead to help the state build its case against Del and Ische.

The testimony of a co-operative witness also was used by state investigators to obtain a perjury conviction against Glenn F. Giuliani, purchasing agent for the village of Elm Grove in Waukesha County.

#### Charged With Perjury

Giuliani denied under oath at the John Doe that he had taken cash from Del salesman Ische and a television set from Starr of United.

However, later admissions of bribes given by Starr led the state to charge Giuliani with perjury. He pleaded guilty.

The most recent convictions in the case came Tuesday in Oshkosh, where Share Corp. of Brookfield and one of its salesmen were found guilty of offering two bribes to Alfred Voelker, bookkeeper at the Menasha municipal garage.

Salesman Edward A. Liermann Jr., was sentenced to 45 days in jail, fined \$2,000 and placed on probation for two years.

The corporation was also fined \$2,000 for complicity in Liermann's offers to Voelker and was ordered never to offer bribes again. Share was assessed \$6,000 to cover the cost of the state in bringing the action.

#### Hundreds of Employees

Unlike the United case, the Share convictions hinged on volunteered testimony. When he was approached by Liermann, Voelker reported to state officials. They obtained a court order allowing electronic bugging and, when Liermann made two payoffs, his conversations were taped.

The number of municipalities involved in the bribery scheme may not be known for several months, but the attorney general has stated that "literally hundreds of public employees in this state" have taken kickbacks.

Witnesses at the John Doe have included officials of Del, United, Share and municipal employees from West Bend, Menasha, Altoona, Platteville,

Prairie du Chien, Menomonie, Beaver Dam, Mount Kosh, Kohler, Jefferson, Br. Field, Elm Grove and other communities that have not been identified.

#### Increase in Beaver Dam

The Journal has inspected records of chemical purchases in many of these municipalities and other communities throughout the state.

Beaver Dam was one of the cities where great increases in chemical purchases were found.

There, purchases by street department superintendent Lyman Linde were \$1,043 in 1969, \$2,149 in 1970, \$3,272 in 1971 and \$6,184 in 1972.

Linde appeared Jan. 18 as a witness at the John Doe. He was asked last month by members of the public works committee of the Beaver Dam city council whether he had accepted any bribes. Linde said he had not.

#### Tried to Hide Fact

Unlike Schaefer of Jefferson, Linde tried to hide the fact that he had testified at the John Doe in Oshkosh. He told other city employees that he would be absent from work because he had to participate in Cub Scout activities.

When questioned by city aldermen, Linde stated that he had bought Del chemicals because they were good products and because Del salesmen called on him more often than those of other companies.

Linde's attorney, Kenneth Quincy, said:

"We have no comment on it at this time. We are involved in negotiations with the attorney general's office, so I don't think we could say anything at this time."

#### May Have Information

Appearances before John Doe investigations do not necessarily mean that the witness is suspected of a crime, but may indicate that the person can provide information of value to the probe.

Great sales increases are not limited to Beaver Dam or to cities where convictions have been obtained. Those municipalities where an employee has been convicted, however, have had similar records of increasing chemical bills.

In the village of Kohler, Ray Schumann, the sewage plant operator, bought \$406 worth of

chemicals from Del in 1970, \$1,604 in 1971 and \$7,394 in 1972.

Schumann has not been charged with accepting bribes. He was granted partial immunity from prosecution on Feb. 18 at the John Doe in Oshkosh, when he appeared in open court and was ordered to answer the question:

"Did you receive a United States savings bond from Burt Ische, also known as Red, in return for you — in your capacity as a public employee of the village of Kohler — placing an order for chemicals with said Burt Ische for the village of Kohler during the month of January, 1973?"

(Schumann purchased \$624 worth of chemicals during January from Ische, according to village records.)

The John Doe investigation then returned to secret session to allow Schumann to answer the question.

The immunity granted Schumann was limited to any crimes committed in January.

Later Schumann's wife, Elaine, was ordered to produce at the John Doe any savings bonds in her name or in joint ownership with her husband.

Heavy chemical purchases also were found in the city of Jefferson, where Walter Buske, operator of the sewage plant, told a reporter he accepted many gifts from Del salesmen, one of whom was Burt Ische.

Buske also testified at the John Doe.

#### Purchases Decreased

Purchases made by Buske from Del ranged from \$6,127 in 1969, or \$1.13 for each of the city's residents in that year, to \$3,381 in 1972, or 62 cents for each resident.

Such a decrease in purchases rarely is found in municipal records unless a new purchasing agent has been hired.

Buske said his purchases declined, though, because he quit using Del enzymes, which were supposed to speed the process of sewage decomposition.

Buske said that in his opinion the enzymes did not speed sewage digestion.

The John Doe probe is expected to last until August with many more witnesses and chemical companies called to testify.

Next—Chemical Buying

(Mount Clipping in Space Below)

# Brookfield Firm Fined for Bribery

## Staff Correspondence

Share, 1974 - The Share  
p. o. Brookfield and one of  
salesmen Tuesday were  
and guilty of two counts of  
ing the chemical purchas-  
agent in Menasha.

The convictions followed  
as of no contest by sales-  
man Edward A. Liermann Jr.  
and by Share President Paul  
s Jardins, speaking for his  
company, 3635 N. 126th St.,  
Brookfield.

Liermann was sentenced to  
days in jail, and was fined  
\$6,000 and placed on probation  
for two years.

The company was fined  
\$6,000. Winnebago Circuit  
Judge William E. Crane also is-  
sued an order that Share re-  
main from bribery in the fu-  
ture. That order was made un-  
der the state public nuisance  
law and enjoined future brib-  
ery by Share as a nuisance.

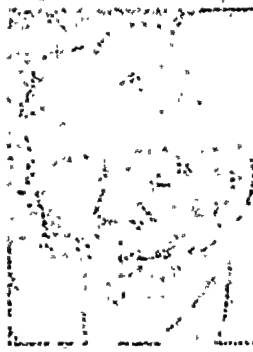
The company also was or-  
dered to pay the \$6,000 cost of  
the state Justice Department  
bringing the public nuisance  
suit.

Neither the criminal convic-  
tions nor the public nuisance  
finding and assessment of

costs were opposed by Share  
or Liermann. They had been  
stipulated in advance at meet-



Paul Des Jardins



Edward A. Liermann Jr.

worked for DL Corp., 12012  
W. Fairview Ave., West Allis,  
a firm that sold chemicals to  
industry.

Joseph E. Kelly, an officer of  
DL, said he hired Youse as a  
salesman to expand the in-  
dustrial chemical company  
into the municipal market.

### Burned Up the Territory

"Rocco burned up the terri-  
tory the first couple of weeks,"  
Kelly said. "Then we found  
out why he did so well."

First, Kelly said, Youse went  
to a sporting goods store and  
bought fishing tackle to give to  
municipal employees who  
bought chemicals.

"Then one day he came in  
and asked for a \$125 check to  
be made out to someone else. I  
asked him why," Kelly said,  
"and he asked me, 'How do  
you think I got this \$700 or-  
der?'"

The order, for \$762, was  
from the city of West Bend,  
Kelly said.

"I told Rocco that I would  
make the check out to him-  
self," Kelly said, "and that he  
could do what he wanted with  
it."

The \$125 check is listed in  
DL corporate records as "R."

(Indicate page, name of  
newspaper, city and state.)

A-1  
The Milwaukee Journal  
Milwaukee, Wisconsin

Date: 5/8/73  
Edition: Latest  
Author:  
Editor: Richard H. Leonard  
Title:

Character:

or

Classification:

Submitting Office: Milwaukee

☐ Being Investigated



Youse - West Bend - sales expense."

Later, Youse bought a television set to be used as a gift in a sales transaction and charged it to DL Kelly said.

Shortly thereafter, Youse left and founded Del. Kelly said they separated because he disapproved of Youse's sales tactics.

A former Del salesman, who asked not to be named, told The Milwaukee Journal about his sales training at Del:

"In 1962, Paul (Des Jardins) took me out to introduce me to all of Rocco's old... accounts.

It became clear that the name of the game was not selling chemicals but enticing them with premiums."

A statement of the salesman's account during a 12 month period of 1964 and 1965, recorded in the Del corporate books, showed that the

salesman was charged for \$2,16 worth of premiums.

#### Policy Denied

The premium figure represents 7% of his sales of \$29,660.

"I was forced, literally forced, to order premiums from Del," the salesman said.

"If a salesman didn't order a certain amount of premiums each month, they would be shipped to his house and billed to his account. I had to pay for them anyway."

Balistreri, Del's attorney, was interviewed by The Journal Saturday and denied that Del had ever forced salesmen to buy premiums or set a quota on their premium purchases.

He also denied that Youse had ever engaged in bribery and said that Del never had a company policy of bribing municipal officials.

Balistreri, who is also secretary of the Del corporation, said Des Jardins lied when he testified that there was a 4% requirement.

"That may have been Mr. Des Jardins' policy but it certainly never was Del's policy," Balistreri said.

Balistreri was asked why he

not challenge Des Jardins' alleged lie while examining him during the lawsuit.

"I wasn't interested in any premiums at the time," Balistreri said. "He was just trying to divert the examination. He was telling a lie. You're damn right he was telling a lie."

Balistreri said the former Del salesman interviewed by The Journal was also lying.

Balistreri also said Del had been willing to drop its premium program and once proposed that all chemical companies meet with the attorney general and eliminate premium operations at once.

He said there was no reason for the state to have called for a John Doe probe, currently underway in Oshkosh, into chemical company operations.

#### Lots of Shirts

According to the former Del salesman, one of the least expensive gift items was shirts.

"In the early days, we were buying more shirts than the Boston Store," he said.

"We showed the buyer the Van Heusen catalog. Thousands were going out. The shirts were mailed directly from Van Heusen" to the municipal chemical buyer after the salesman filled out the order blank. One copy of the shirt order form went to Del's headquarters. Del paid Van Heusen and deducted the cost from the salesman's commission. The salesman kept copies of all the shirt orders and has given them to agents of the organized crime section of the state Justice Department.

One man who says he was offered gifts by Del salesmen and refused to accept them was Edward V. Ehke, who retired last year after running the Winneconne sewage plant for 17 years.

"The first thing, salesmen wanted to know was what size shirts I wore, sleeve size, everything," Ehke said. "Fishing rods was another big thing for them."

"It gradually took larger gifts by Del salesmen to match those offered by competing companies, and pressure on salesmen to use the premiums intensified when Youse established another corporation, Premiums, Inc., in January, 1968.

#### Promotional Items

According to an allegation made by Des Jardins in the 1971 lawsuit, Del "forced its salesmen to purchase promo-

tional items known as premiums at the salesman's own expense in an amount equal to at least 10% of the salesman's gross sales for Del from a corporation known as Premiums Inc., which was effectively controlled by... Rocco Youse...."

The premiums were sold to salesmen at excessive prices and the profits went to Youse, Des Jardins claimed. And

salesmen were required to make at least 12 sales calls a day, he added.

To store the premiums for use in the eastern half of the United States, Del constructed a 30 foot square fenced cage in the Menomonee Falls plant, according to a former Del office employee.

"They had those stack tables, and they had all kinds of kettles and electric cookware," the employee stated. "You know, your big coffee pots like your 32 cup jobs as well as your regular family percolators."

#### Special on TV Sets

"And they had beautiful carving knife sets, as well as steak knives, rotisseries and those grills with the covers. They had snack tables, clock radios, they had toasters and they had — you name it."

Television sets. Once in a while they had a special for the employees in the office if they wanted to buy these television sets. They were black and white or color."

Premiums Inc. is headquartered in Reno, Nev., where Del and MuniChem, another chemical sales corporation controlled by Youse, also have plants.

The operation of Premiums Inc. there was described to The Milwaukee Journal by Clyde (Rusty) Walters, a former employee of the corporation. Walters' duties involved all three Youse corporations.

Before he went to work for Youse, Walters was deputy sheriff in Reno. He has since returned to law enforcement work and is now a policeman in Elko, Nev.

"There was a great big cage put up (in the Del plant) and I was put in charge of making up the salesman's kits," Walters said.

#### Nude Magazines

The kits were sold to salesmen when they joined the firm and were to be used in first approaches to new customers, he

said. Most of the items were not expensive.

"There were pen and pencil sets, obscene books — not really obscene books but rude magazines — Taiwan made ponchos, lights, batteries."

When a salesman had depleted his first supply of premiums — and had learned what gifts his municipal buyers liked best — he would order from Walters.

"If he stayed long enough,

he would place new premium orders along with chemical orders," Walters said.

Walters said he also helped ship premiums from the Nevada base to Wisconsin.

In addition to premium quotas, Del salesmen were given manuals telling them how to describe chemical products to municipal customers.

"We copied from every company in the business," Des Jardins testified in 1971 about the manuals. There are no secrets in the chemical business.

"See, what we did is copied a lot of other companies' data sheets, not just switched them around a little bit."

"In fact," Des Jardins added, "we offered certain rewards to the men in the field that picked up competitive gimmicks that we could use out of their book in ours."

Of his own Share Corp., in the 1971 testimony Des Jardins said:

#### \$14,000 Fine

"What we have tried to do is set up a company doing everything opposite from Del Chemical, sales policy right on down the line." At that time, Share was less than three months old.

Evidence gathered by The Journal in Menasha and other cities, however, demonstrates that since then, Share also has bribed municipal employees.

A third company, United Laboratories Inc., of Addison,

Ill., was fined \$14,000 on March 29 by Walworth County Circuit Judge Erwin C. Zastrow after pleading no contest to charges of bribing the sewage treatment plant operator at Whitewater.

Nicholas Savaiano, president of United, admitted in court that day that giving United States savings bonds as bribes was a company policy.

Special forms were prepared by the company to be used by salesmen to order bonds for municipal customers, Savaiano said.

United could not make sales to municipalities in Wisconsin unless the company offered savings bonds, Savaiano told Zastrow.

"The ground rules were already set," he said. "In approaching the municipal buyer, you just did business that way or you didn't do business."

The success of gift-giving techniques has not been universal.

Some municipal officials have restricted this sales approach.

Claude Lee, manager of the sewage plant in Ripon, says he has refused to accept gifts. Salesmen have offered him "television sets, golf clubs, pool tables, anything I wanted," he says, in exchange for his business.

He says he throws such salesmen out the door.

(Mount Clipping in Space Below)

# Bribes Help Sell the Goods

By David B. Offer and Steven L. Castner  
of The Journal Staff

Chemical supply companies have used hundreds of thousands of dollars in merchandise, cash and savings bonds to bribe purchasers of chemicals in small cities and villages throughout the nation.

The practice of bribery by some companies has undermined the chemical sales industry in Wisconsin so badly that some other companies and salesmen have refused to do business in communities where public officials expect payoffs.

Atty. Gen. Robert W. Warren has described the practice as a "systematic scheme" by greedy corporations which have bribed "literally hundreds of public employees in this state."

A former employee of one company said the firm had used bribery to get business throughout the nation.

Exact figures on the amount of money involved are impossible to obtain. By its nature, bribery is a secret activity.

But there is court testimony that one major firm — Del Chemical Corp. of Menomonee Falls — has had a policy of offering kickbacks of at least 4% of its gross sales.

The Journal has evidence of several cases of kickbacks of between 5% and 10% of sales and, through interviews, has learned of one community in which Del gave cash payoffs of 10% to one city official and merchandise valued at 5% of the sales to another person in the same city.

Joseph P. Balistreri, secretary of the Del Corp. and its lawyer, vigorously denied that Del or its president had engaged in bribery or any wrongdoing.

"Anyone who suggests that Del Chemical is engaged in the systematic breaking of a law or offering bribes to any public employee is deeply in error," Balistreri said. He said the company policy has been to fire any employee who it learned was offering bribes. (Separate story on page 11.)

Del sold an estimated \$10 million worth of chemicals in the nation last year. Balistreri confirmed that it probably sells

more chemicals in Wisconsin than does any other firm.

The company sells chemicals to towns and villages, schools, hospitals, county agencies, highway departments and other governmental bodies — usually in small or middle sized communities.

If it were assumed that the company made one-fiftieth of its national sales here in Wisconsin, this state's share of that business would have been \$200,000 last year.

However, it is believed that Del does far more than one-fiftieth of its business here. Wisconsin is the state where the company was formed and where it main-

tains its national headquarters.

A Milwaukee Journal survey of the Del's business with just the street and sewer departments of seven Wisconsin communities with a total population of 46,258 showed 1972 sales of \$68,178.

Not all of the kickbacks by chemical salesmen in Wisconsin have been large enough to merit headlines.

But even in cases where the bribe is small — perhaps a few men's dress shirts, fishing gear or a radio — the result is expensive to taxpayers, who must pay for the chemicals.

Because of the bribery — large and small — some communities are buying unneeded chemicals. Others are paying up to three times what non-bribing chemical companies charge for similar types of products without even trying to determine if the competing products might work as well.

The details of these sales practices will be presented in a series of articles this week.

Although there is reason to believe that eight different chemical supply companies offer kickbacks to municipal purchasers in Wisconsin, The Journal has concentrated its study on three firms: Del, the Share Corp. of Brookfield and United Laboratories Inc., of Addison, Ill.

(Indicate page, name of newspaper, city and state.)

A-1

The Milwaukee Journal  
Milwaukee, Wisconsin

Date: 5/6/73  
Edition: Latest

Author:  
Editor: Richard H. Leone  
Title:

Character:  
or  
Classification:  
Submitting Office: Milwaukee  
☐ Being Investigated

The organized crime section of the state Department of Justice and the US Treasury



partment are conducting a more widespread investigation that could lead to several arrests, substantial prison terms and fines to the leaders of the bribery operations.

### 3 Persons Jailed

Various governmental agencies in California and Nevada also are interested in the investigation and the federal Organized Crime Strike Force is involved in the case.

Much of the state's information is being presented at a closed door John Doe inquiry underway before Judge William E. Crane in Oshkosh since January.

"Wisconsin cannot tolerate greed, whether it is found individually or collectively, on a small scale or a grand scale, when public employes conduct the business of government entrusted to them by the citizens of this state," Warren said.

"No distinction should be drawn between receiving a \$25 kickback or a \$2,500 kickback. Each such instance is not only against the laws of this state but also has a shattering effect on the public's trust of its public servants."

Warren said he had instructed his department to prosecute "those persons and corporations who are involved in this public corruption" and that he planned to meet with Judge Crane to "review the total scope of this investigation."

Asst. Attorneys General Peter A. Peshek and Grant C. Johnson are in charge of the case.

During its investigation, The Journal has learned that:

Del's repeated practice of giving cash payments and merchandise premiums to municipal buyers is part of a corporate policy developed by Rocco Youse, president of the firm.

At least one other chemical corporation claimed in court that it was forced to offer bribes to compete with Del.

Del has established a separate corporation to handle the merchandise it sells to its salesmen to use as premiums. Many of the premiums have been used as sales inducements or to get the buyers dependent on the company.

In the early days of Del, Youse personally delivered some of the kickbacks to his best customers.

The Share Corp. adopted the Del system and offered as much as a 15% cash kickback to a municipal buyer. Share was formed by Paul Des Jardins, a former Del sales executive who actively participated in the Del kickback activities. The company employs a number of former Del salesmen.

United Laboratories, Inc., of

bonds to several municipal buyers in the state for their business. The company gave its salesmen printed forms to use in ordering the bonds, which they were mailed to the homes of municipal purchasing agents.

The Journal will show the course of the growth of Del in 10 years from a one desk operation to a national corporation.

The use of kickbacks and gifts as a business tool was practiced by Youse since the early days of Del.

One former Del employee, who has since left the chemical industry, said Youse once bragged that municipal purchasers "aren't spending their own money. If you take care of them, they'd buy 55 gallons of wet sand."

Many chemicals are sold in 55 gallon drums.

### Involved in Fist Fight

That former Del employee testified at the John Doe. He was once involved in a fist fight with Youse and is still afraid of him. For various reasons he does not want his name to be used in these articles. He will be referred to as "John Smith."

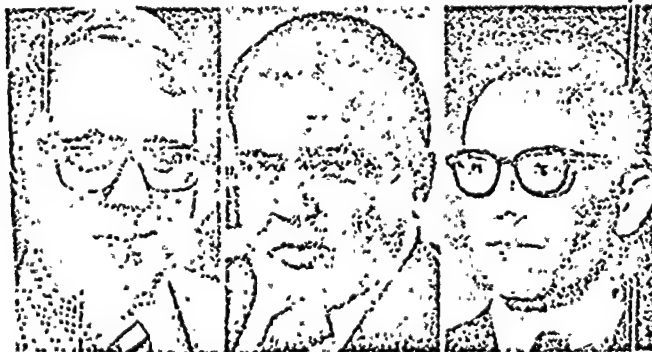
Smith said Del had a policy of "giving a guy a gift on the come" so the taker would become hooked. He said he was instructed by Youse never to try to sell chemicals to a big city or to industrial accounts because "they know what they're doing."

In looking into the operations of chemical companies throughout Wisconsin, The Journal examined public records showing chemical purchases in more than 40 cities and villages.

In many towns, there is a question of how the chemicals purchased could have been used and why less expensive chemicals were not considered.

The Journal also will explore the result of eight years of payoffs in a city where Del sold \$18,199 worth of chemicals in six years and paid bribes in cash and merchandise that are believed to have amounted to about 15% of the price.

That city still has stacks of leftover, unneeded expensive chemicals.



Atty. Johnson

Judge Crane

Atty. Peshek

MI 92-717

On April 26, 1973, MI T-1 advised that he had information to the effect that subject [REDACTED] Source stated he had heard that subject's "boss" instructed him to [REDACTED]

b6  
b7C  
b7D

Source was given [REDACTED]

MI T-2 advised on [REDACTED]

Wisconsin.

Source indicated that [REDACTED]

[REDACTED] of JOE BALISTRERI and BALISTRERI advised him to [REDACTED]

b6  
b7C  
b7D

MI T-3 advised on May 28, 1973, that in regard to the BALISTRERI organization, subject is the real brains behind the operation, and also, one of the reasons the BALISTRERI faction has so much power is the law firm BALISTRERI is associated with. The local hoodlums are usually represented by the BALISTRERI law office, and subsequently through their knowledge and the legal fees owed to the law office, plus the old line syndicate power of FRANK BALISTRERI, they are able to stay on top. Source further advised that subject likes to [REDACTED]

b7D

[REDACTED] which the source advised is the main power source of the Chicago mob.

MI T-4 advised on May 8, 1973, that he believed and had heard rumors to the effect that subject [REDACTED]

b6  
b7C  
b7D

MI T-5 advised on 6-3-73, that subject, along with almost all known members of the Milwaukee LCN and select citizens, attended the celebration party for [REDACTED]

(Mount Clipping in Space Below)

## Car Hits, Injures Atty. Balistreri

Atty. Joseph P. Balistreri, 32, of 1961 N. Summit Ave., was injured Monday night when struck by a car near North Ave. and Cramer St.

He was listed in serious condition at Columbia Hospital, where he underwent surgery Tuesday morning for a broken leg.

Details of the accident could not be obtained from Milwaukee police. Hospital officials refused to indicate the extent of Balistreri's injuries other than the broken leg.

"He has other injuries and his condition is serious," a hospital spokesman said. The hospital had orders from unnamed sources not to give out information on Balistreri, the spokesman said.

Police officials said they could not locate the accident report that would show who was driving the car that struck Balistreri or if the driver was apprehended.

The accident occurred at 11:20 p.m.

(Indicate page, name of newspaper, city and state.)

The Milwaukee Journal  
Milwaukee, Wisconsin

Date: 6/19/73

Edition: Latest

Author:

Editor: Richard H. Leonard

Title:

Character:

or

Classification: 92-717-131

Submitting Office: Milwaukee

☐ Being Investigated

MI 92-717

On June 19, 1973, [REDACTED]

[REDACTED] Milwaukee Police Department (MI PD), was contacted and stated that police records indicate that the accident was strictly that. [REDACTED]

[REDACTED] had no reason to believe that this accident was, in any way, connected with BALISTRERI's connection with the organized crime element in Milwaukee.

MI T-6 advised on June 28, 1973, that she had read in the paper that subject was hit by an automobile and noticed that STEVE DE SALVO (number three man in Milwaukee LCN) [REDACTED]

b6  
b7C

b7D



(Mount Clipping in Space Below)

# Publicity Effect Feared in Doe

By KEITH SPONE

Special to The Sentinel

Oshkosh, Wis. — "It makes no difference whether the rock hits the pitcher or the pitcher hits the rock. In either case, it's too bad for the pitcher."

Milwaukee Atty. Joseph P. Balistreri used those words recently to summarize his frustrations over the publicity that has accrued to one of his clients during the five month John Doe bribery probe here.

Balistreri, until recently the attorney for the Del Chemical Corp., Menomonee Falls, was trying to make the point that corporations and individuals

court actions — in addition to the perjury charge against Ische — stemming from the Doe investigation:

o A Beaver Dam official was convicted of accepting bribes from a Del salesman.

o A village of Kohler official was granted immunity from prosecution to answer questions about a savings bond he allegedly received from a Del salesman.

o An Elm Grove official was convicted of perjury for falsely denying that he had received gifts from chemical firms. The official later testified that he had received \$30 from a Del employe.

To date, only two chemical firms have been charged with bribery. And though court actions have led to a total of 60 felony charges and 59 convictions, and the imposition of a total of \$49,650 in fines, it is becoming increasingly easy to overhear in the halls of the courthouse here remarks that pooh-poo the effectiveness of the Doe.

For example, in an informal conversation with Circuit Judge William E. Crane, who is conducting the probe, two attorneys recently questioned whether the \$49,650 in fines would come anywhere close to recouping the amount of taxpayer money that has been spent on the investigation.

Crane merely replied that

the attorneys shouldn't judge the probe prematurely. He implied that the real impact of the probe would not be felt until some future date.

Justice Department sources contend that the money spent on the Doe probe ultimately will result in a saving of hundreds of thousands of dollars for taxpayers.

They point out that the probe is halting a practice that has prompted public employes to overpurchase chemicals at inflated prices. In return for such purchases, public employes have received gifts of cash and merchandise from chemical firms.

The practice of giving such premiums to officials, usually purchasing agents for municipal garages and sewage treatment plants, has become so widespread that an attorney for one chemical firm called it "a 30 year tradition."

How much longer will the probe, which started Jan. 18, last?

Reportedly, Crane and Justice Department attorneys expect to conduct Doe sessions regularly for the next two months and on an irregular basis until October.

And, a rash of charges is expected in August against public employes who have been among the 120 witnesses who have testified at the secret session.

Crane and Justice Department attorneys seem unworried by the expenses of the probe as weighed against its effects.

And, perhaps, some measure of their confidence can be inferred from the fact that thus far no one has contested charges stemming from the Doe, although Ische is expected to contest his perjury charge.

Eight parties have pleaded guilty; five others have pleaded no contest.

(Indicate page, name of newspaper, city and state.)

A-2  
Milwaukee Sentinel  
Milwaukee, Wisconsin

Date: 7/5/73  
Edition: Final

Author:  
Editor: Harvey W.  
Title: Schwandner

Character:  
or  
Classification:  
Submitting Office: Milwaukee

☐ Being Investigated

often are powerless in the face of bad publicity. They have no effective means, he said, of stating their side of the case to the public.

Balistreri, secretary for Del, is not representing the firm during the John Doe because of a recent accident in which he was struck by an automobile, requiring his hospitalization.

There is an ironic twist in this because Del — despite being the probe's most prominently mentioned chemical firm — has not been charged with any crime.

One of its salesmen, however, Bert Ische, has been charged with one count of perjury and faces a preliminary hearing July 31.

But more threatening than that is the fact that Del has been named in three public





In Reply, Please Refer to  
File No.

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Milwaukee, Wisconsin  
July 23, 1973

Title           JOSEPH P. BALISTRIERI

Character   ANTI-RACKETEERING

Reference   Milwaukee report of SA [redacted]  
[redacted] dated July 23, 1973.

b6  
b7C

All sources (except any listed below) whose identities are concealed  
in referenced communication have furnished reliable information in the past.

## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>MILWAUKEE</b>	OFFICE OF ORIGIN <b>MILWAUKEE</b>	DATE <b>11/14/73</b>	INVESTIGATIVE PERIOD <b>7/30/73 - 11/2/73</b>
TITLE OF CASE <b>CHANGED</b> <b>JOSEPH PHILLIP BALISTRIERI</b> <b>JOSEPH P. BALISTRIERI</b>		REPORT MADE BY SA <span style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em; vertical-align: middle;"></span>	TYPED BY <b>dmb</b>
		CHARACTER OF CASE <b>AR</b>	

Title marked changed in this regard, to reflect the subject's complete name as revealed by investigation at Milwaukee, Wisconsin

## REFERENCE

Milwaukee report of SA   
dated 7/23/73;

Denver letter to Milwaukee, dated 8/15/73 (IO),  
New York letter to Milwaukee, dated 9/20/73 (IO),  
Chicago letter to Milwaukee, dated 9/28/73 (IO).

- P -

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:  PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES				
						None		
APPROVED  COPIES MADE:					SPECIAL AGENT IN CHARGE			DO NOT WRITE IN SPACES BELOW
3 - Bureau (92-13997) (RM) 1 - Chicago (RM) (AIC, Chicago Field Office, <span style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em; vertical-align: middle;"></span> ) 2 - Milwaukee (92-717) 1 - USA, Milwaukee								92-13997 OMCT-77 REC-20 EX-105 NOV 23 1973
Dissemination Record of Attached Report					Notations			
Agency								<div style="border: 1px solid black; padding: 5px; transform: rotate(-15deg); display: inline-block;">             NONE DATA PROC           </div>
Request Recd.	1 CC. AAG, Criminal Division							
Date Fwd.								
How Fwd.	Organized Crime and Racketeering							
By	Section, Room 2744							

34 DEC 3 1973 COVER PAGE

MI 92-717

ADMINISTRATIVE

The Denver Division advised in referenced communication, dated 8/15/73, that the current Denver telephone directory reflects telephone number [redacted] listed to [redacted] Colorado.

b6  
b7C

The current Denver city directory reflects that [redacted] resides at [redacted]

Denver indices negative on [redacted] and no information has been received from any sources by the Denver Division connecting him with gambling or racketeering activities.

The New York Division advised in referenced communication, dated 9/20/73, that New York indices and credit and criminal checks regarding subscriber [redacted] [redacted] were negative. A copy of that information is as follows:

b6  
b7C

A review of the records of the [redacted] [redacted] revealed the following data regarding telephone number [redacted] (Non-published):

b6  
b7C  
b7D

Subscriber  
Address

Employment

Occupation  
Connected

The Chicago Division advised in referenced communication, dated 9/28/73, that a review of public source records maintained by the Illinois Bell Telephone Company reflects as follows:

Telephone number [redacted] is subscribed to by [redacted] [redacted] Illinois.

b6  
b7C

COVER PAGE B

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - Chicago, AIC, Chicago Field Office, [REDACTED]  
1 - USA, Milwaukee

b6  
b7C

Report of: SA [REDACTED]  
Date: November 14, 1973

Office: Milwaukee

Field Office File #: MI 92-717

Bureau File #: 92-13997

Title: JOSEPH PHILLIP BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: JOSEPH PHILLIP BALISTRIERI continues to reside Shorecrest Hotel, Milwaukee, Wisconsin. BALISTRIERI recently out of hospital after recovery from automobile accident and walks with cane. Permanent leg injury may have occurred. BALISTRIERI [REDACTED]  
[REDACTED] BALISTRIERI seen conversing recently with [REDACTED]

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- P -

DETAILS:

The following investigation was conducted by  
Special Agent [REDACTED]

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During a routine spot check of FRANK BALISTRIERI's residence, 3043 North Shephard, on July 30, 1973, a car was observed parked in front of the home. During numerous spot checks of the Shorecrest Hotel, 962 North Prospect Avenue, the same vehicle had been observed. The vehicle, bearing 1973 Wisconsin license [REDACTED] was later determined to be a [REDACTED]  
[REDACTED]

On [REDACTED] was interviewed at her place of employment and provided the following information:

MI 92-717

[redacted] said that [redacted]

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[redacted]  
both of these places were owned by FRANK BALISTRERI.

[redacted] said that ever since [redacted]

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[redacted] also said that another friend of [redacted]  
[redacted]

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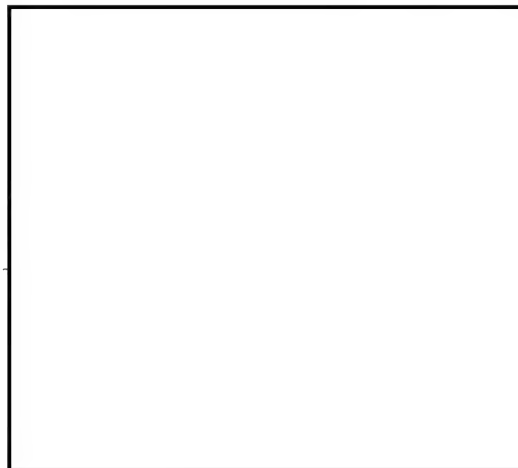
Even though [redacted] has not seen BALISTRERI since [redacted] him and said that she heard he was now out of the hospital and apparently walking with a limp.

The following description was obtained through observation and interview:

MI 92-717

Race  
Sex  
Date of Birth  
Place of Birth  
Height  
Weight  
Present employment

Previous  
employment



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On August 7, 1973, the records of the Milwaukee Police Department, Bureau of Identification, were checked by [redacted] with negative results regarding [redacted]

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On the same date, the records of the Milwaukee County Sheriff's Office were checked by Special Clerk [redacted] with negative results.

On August 9, 1973, the records of the Bureau of Vital Statistics, Milwaukee County Courthouse, were checked by Special Clerk [redacted] with negative results regarding the birth of subject.

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On the same date, the records of the County Court, Civil Division, Milwaukee County Courthouse, were checked by Special Clerk [redacted] with negative results regarding any divorce of subject.

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MI T-1 advised on August 24, 1973, that he has recently observed JOSEPH BALISTRERI, who source knows was released from the hospital, and notes that BALISTRERI is walking with a cane.

On August 27, 1973, JOSEPH BALISTRERI's vehicle, a 1971 Thunderbird bearing 1973 Wisconsin plates A60379, was observed parked in the parking lot of



UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
Milwaukee, Wisconsin

In Reply, Please Refer to  
File No.

November 14, 1973

Title JOSEPH PHILLIP BALISTRIERI

Character ANTI-RACKETEERING

Reference Milwaukee report of Special Agent  
[redacted] dated November 14, 1973

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All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.



MI 92-717

INFORMANTS

MI T-1 is MI [ ] contacted by Special Agent [ ] on 2/20/74.

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MI T-2 is MI [ ] contacted by Special Agent [ ] on 3/7/74.

MI T-3 is MI [ ] contacted by Special Agent [ ] on 4/15/74.

LEAD

MILWAUKEE DIVISION

At Milwaukee, Wisconsin

Will continue investigation to specifically identify the organized crime activities of JOSEPH PHILLIP BALISTRIERI.

COVER PAGE B\*

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, MILWAUKEE  
1 - CHICAGO, AIC, CFO, [REDACTED]

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Report of: SA [REDACTED]  
Date: May 20, 1974

Office: MILWAUKEE

Field Office File #: MI 92-717

Bureau File #: 92-13997

Title: JOSEPH PHILLIP BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis:

[REDACTED]  
[REDACTED] Wisconsin, [REDACTED]  
out of an investigation by Wisconsin State Department  
of Justice, Organized Crime Section. JOSEPH PHILLIP  
BALISTRIERI is [REDACTED]  
as well as [REDACTED] In interview with  
Milwaukee newspaper reporter, 4/10/74, JOSEPH BALIS-  
TRIERI claimed that "state or Federal agencies" are  
tapping his telephone and BALISTRIERI complained of  
"the harassment of his family by investigative agencies  
and the press". [REDACTED]  
[REDACTED] interviewed 4/11/74 and denied any association  
with JOSEPH PHILLIP BALISTRIERI.

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- P - Deleted Copy Sent Balistrieri  
by letter 2/11/76 jma  
Per FOIA Request

Details: MI T-1 advised on [REDACTED] that there was  
substantial "street talk" to the effect [REDACTED]  
[REDACTED] is associated in  
some manner with Milwaukee attorney JOSEPH PHILLIP  
BALISTRIERI.

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MI T-2 advised on March 7, 1974 that JOSEPH PHILLIP  
BALISTRIERI can be found each business day lunching  
with his friends at the Wisconsin Hotel restaurant,  
located at 720 North Third Street, Milwaukee, Wisconsin.

Sources whose identities are concealed herein have  
furnished reliable information in the past except where  
otherwise noted.

MI 92-717

According to the source, BALISTRIERI has [REDACTED]  
[REDACTED]

On March 27, 1974 JOSEPH PHILLIP BALISTRIERI and [REDACTED]  
[REDACTED] were observed in the restaurant  
located in the Wisconsin Hotel, 720 North Third Street,  
Milwaukee, Wisconsin. JOSEPH BALISTRIERI and [REDACTED]  
[REDACTED]

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Also in the restaurant conversing with the subject and  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED] was also seated at a table in  
the restaurant.

The following article appeared in the Milwaukee Journal  
Newspaper, Milwaukee, Wisconsin on April 3, 1974:

(Mount Clipping in Space Below)

# Del Chief Won't Fight Extradition

By David B. Offer  
of The Journal Staff

Rocco Youse, president of the Del Chemical Co. of Menomonee Falls, agreed Wednesday to appear in court in Oshkosh by 2 p.m. Friday to answer charges that he bribed the former mayor of Menasha.

The agreement was reached in negotiations in Biloxi, Miss., where Youse was arrested Tuesday on a Wisconsin warrant charging him with the crime.

Youse's Mississippi lawyer called the bribery charge "utterly without substance."

The chemical company president said he had "no desire whatsoever" to run away from the state and agreed to waive extradition.

## 2 Hours of Meetings

The decision was reached after about two hours of meetings between Youse's lawyers, Vincent Sherry of Gulfport, Miss., and Joseph P. Balistrieri of Milwaukee, and Assistant Attorneys General Peter A. Peshek and Grant C. Johnson at Madison. It delayed a scheduled hearing at which the Wisconsin officials had been prepared to seek \$25,000 bail for Youse and to begin extradition to force his return to Wisconsin.

Instead, as a result of the compromise, he was released on a \$5,000 personal recognizance bond.

Youse, who lives in Reno, Nev., was in Biloxi for a Del sales meeting when he was arrested while walking on a beach by Biloxi police Tuesday afternoon on the Wisconsin warrant.

He spent Tuesday night in jail while Balistrieri flew in

from Milwaukee. Balistrieri is secretary of the Del Chemical Co., as well as Youse's personal lawyer.

The agreement between the lawyers said that Youse should appear before Circuit Judge William E. Crane in Oshkosh before 2 p.m. Friday and that the State Justice Department would notify Mississippi authorities if he did not do so.

Judge Crane signed the warrant which Peshek, Johnson and Special Agent Alfred Suhr carried to Mississippi. Suhr is part of the Justice Department's Organized Crime Section.

Much of the Wisconsin complaint is based on evidence

gathered by the state Justice Department at a John Doe probe of the chemical sales industry, which has been conducted by Judge Crane.

The complaint makes public for the first time secret testimony by three former Del salesmen who explained the Del kickback system which, they said, was set up by Youse.

In particular, the three said Youse arranged to kick back 10% of all Del sales to the City of Menasha to then Menasha Mayor John L. Klein and that the Del president was personally involved in bribing Klein.

Klein admitted receiving the bribes.

## Probed by Paper

The bribery operation described in the complaint is identical to that described by The Milwaukee Journal last May after an extensive investigation by the newspaper.

According to the complaint, Youse personally made some of the kickback payments to Klein and other times he passed envelopes full of money

to members of his sales staff to deliver to Klein.

Klein was mayor for four two-year terms; the first three from April of 1960 to April of 1966 and the last one from April of 1968 to April of 1970. During all of these times, he had final authority to buy chemicals for the city. The Journal disclosed that Klein used that authority to amass a huge quantity of unneeded chemicals, ordering \$5,558 worth from the firm in his last month in office and a total of \$18,199 throughout his tenure.

## Filed for Bankruptcy

In his testimony before the John Doe, Klein admitted accepting the bribes from Youse. Despite the income from the chemical firm, the ex-mayor filed for bankruptcy on Dec. 21, 1970, listing assets of \$6,716 and debts of \$54,906.

The first of three salesmen to deliver bribes was Paul Des Jardins, who, according to the complaint, admitted his role under oath. Des Jardins has since left Del to form the Share Corp., a chemical firm based in Brookfield. Early in the probe, Share admitted giving bribes and was fined.

Des Jardins testified that while he was with Del, first as a salesman and later as execu-

tive vice president for sales, he was instructed by Youse to "take care of Klein with a 10% kickback." He said he did so.

Former salesman Wallace Flaherty testified that when he was assigned to sell in Menasha, Youse told him that "Mayor Klein gets 10%." Flaherty said that before making each trip to Menasha, he went to see Youse to get an envelope of cash for Klein. Youse told him that "he owned Klein," Flaherty said, and instructed him that he wanted the "arrangement continued."

"You don't say no to Rocco Youse," Flaherty testified.

Flaherty is considered a key witness in the case. When The Journal's probe of the chemical industry began, Flaherty contacted the newspaper and asked if he could help end the bribery practice. He was cited in the newspaper articles as "John Smith" and agreed to testify for the state under oath.

Des Jardins testified that when Flaherty quit his Del job in 1964, Youse told him (Des Jardins) that Klein was still owed some kickback money.

"Go up there and take care of John," Youse said, according to Des Jardins.

Des Jardins said he took Klein \$50 in cash.

Salesman William H. Maxwell said that in 1968 Youse told him, "When you get to Menasha, we take care of Klein." Maxwell paid Klein with checks, not cash, according to the testimony at the John Doe.

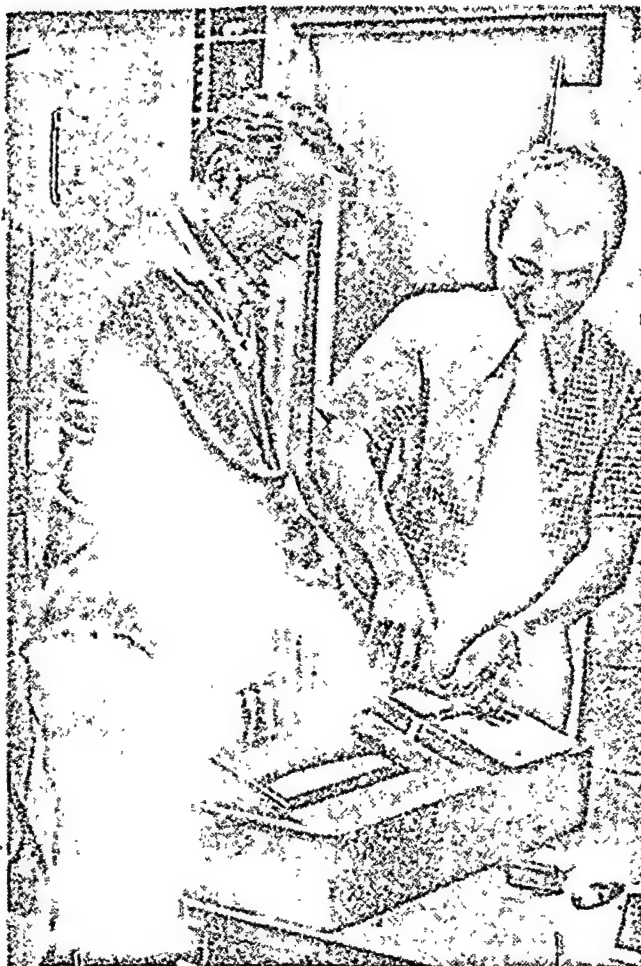
Klein testified that the sealed envelope delivered to him by Flaherty from Youse contained cash. He also said that when he visited the Del headquarters in Menomonee Falls in 1969, Youse gave him \$40.

According to the complaint, the state has investigated bank records of the former mayor and the Del president. Those records confirm Des Jardins' testimony about one bribe, according to the complaint.

Des Jardins testified that he went with Youse to Menasha in March of 1963 and that on the way, Youse told him that he had "set him (Klein) up on a 10% basis; when the company got paid for the order, he would kick back 10% of the order" to the mayor.

Des Jardins said the pair met Klein in City Hall and that Youse gave Klein a check, a kickback from a prior order.

The complaint says that the bank records reveal that Youse wrote a \$20 check to Klein on March 15, 1963, and that the mayor endorsed and cashed it.



Rocco Youse was fingerprinted by a Biloxi (Miss.) police officer.

(Mount Clipping in Space Below)

# Balistrieri Claims Telephone Bugged

By WILLIAM JANZ

Atty. Joseph P. Balistrieri is "almost 100% certain" that telephones in his home and office are being bugged by investigative agencies for the state or federal governments, he said Tuesday.

Asked why he thought government agents would tap his lines, he replied, "Because I'm Frank's son. For some reason they believe we're not very nice people."

"It started with that crazy statement on the Senate floor and it's a myth that's perpetuating itself."

He was referring to the fact that a United States senator once said that Balistrieri's father, Frank P., was a member of "one of the principal families" in organized crime.

Besides being an attorney, the younger Balistrieri also is a court commissioner, who has the powers of a judge in chambers.

He said government bugging was "like a cancer eating away at the foundations of the (legal) system."

The big ear, the giant ear is here."

Balistrieri made the charges after his telephone conversation with a reporter was interrupted by a loud humming noise on the line. After the call was replaced, Balistrieri said that he had had frequent problems such as buzzing noises and interrupted service with the six telephone lines in his office and at his home phone.

"I don't know who's doing it, the federal or the state, but if it's the state, they're in trouble."

He said that state agencies

were prohibited from tapping the lines of lawyers.

Investigators are not "going to admit it," Balistrieri said. "They're doing it probably without order and without authorization."

[Peter Peshek, head of the criminal prosecution unit for the State Justice Department, declined to comment when asked about Balistrieri's allegation.]

[Herbert E. Hoxie, special agent in charge of the Milwaukee FBI office, was out of



Atty.  
Joseph P.  
Balistrieri

town and could not be reached for comment. His chief assistant, Edgar N. Best, also could not be reached for comment.]

Balistrieri mentioned that the office of Atty. Dominic H. Frinzi, a friend who has represented Frank Balistrieri, was bugged by federal agents in 1963.

After the bugging was discovered four years later, government attorneys admitted that Frinzi's office telephones were tapped "because

of his association with prominent Milwaukee hoodlums and in an effort to develop information bearing on a gangland murder."

Frinzi, a widely known attorney, sued and reportedly received an out of court settlement in the case.

"They'll do it until they're caught," Balistrieri said.

In bugging an attorney's office, agents are breaking into the private relationship existing between a lawyer and his client, he said.

"By what authority do they have to intervene?" he asked. "No where on earth is there this kind of authority."

Balistrieri said that in the 1960s he found a bug that had been planted in his father's office.

For several years the younger Balistrieri has been the public spokesman for the Balistrieri family. He has spoken out on what he considers the harassment of his family by investigative agencies and the press.

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/18/74

[redacted] was interviewed at his residence, [redacted] re-  
garding his knowledge of JOSEPH PHILLIP BALISTRIERI. *Milwaukee WBC*

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A photograph of BALISTRIERI was shown to [redacted]  
[redacted] asked of the interviewing Agents,

[redacted] was advised that the photograph was in fact identical with JOSEPH PHILLIP BALISTRIERI and was asked if he had any dealings with this individual. [redacted] advised [redacted]

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[redacted] advised he recognized BALISTRIERI's photograph as BALISTRIERI's picture had been in the paper on several occasions.

Interviewed on 4/11/74 at Milwaukee, Wisconsin File # MI 92-717  
by SA's [redacted] and [redacted] (CH/cmg) Date dictated 4/16/74

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MI 92-717

MI T-3 advised on [REDACTED] that JOSEPH PHILLIP  
BALISTRERI [REDACTED]

[REDACTED]  
[REDACTED] and had stopped briefly in Chicago, Illinois  
for an unknown reason. .

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## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>MILWAUKEE</b>	OFFICE OF ORIGIN <b>MILWAUKEE</b>	DATE <b>9/10/74</b>	INVESTIGATIVE PERIOD <b>5/24/74 - 8/22/74</b>
TITLE OF CASE  <b>JOSEPH PHILLIP BALISTRIERI</b>		REPORT MADE BY <b>SA</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em; vertical-align: middle;"></span>	TYPED BY <b>jar</b> <span style="float: right;">b6 b7C</span>
		CHARACTER OF CASE  <b>AR</b>	

REFERENCEMilwaukee report of SA  dated 5/20/74.b6  
b7C

- P -

INFORMANTSMI T-1 is MI  contacted by SA  on 5/24/74 and on 7/2/74.b6  
b7C  
b7DMI T-2 is MI  contacted by SA  on 6/6/74.MI T-3 is MI  contacted by SA  on 7/11/74.MI T-4 is MI  contacted by SA  on 8/1/74.F  
BR

ACCOMPLISHMENTS CLAIMED				<input checked="" type="checkbox"/> NONE	ACQUIT-TALS  NONE	CASE HAS BEEN:  PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES		

APPROVED

SPECIAL AGENT  
IN CHARGE

COPIES MADE:

DO NOT WRITE IN SPACES BELOW

- (3) - Bureau (92-13997) (RM)  
 1 - USA, Milwaukee  
 1 - Chicago (AIC, CFO, ) (RM)  
 2 - Milwaukee (92-717)

92-13997-9 REC-75

5 SEP 13 1974

EX-103

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## Dissemination Record of Attached Report

Agency	
Request Recd.	57 SEP 18 1974
Date Fwd.	57 SEP 18 1974
How Fwd.	Organized Crime and Racketeering
By	Section, Room 2745 (dd)

Notations

DATA PROC

MI 92-717

LEAD

MILWAUKEE DIVISION

At Milwaukee, Wisconsin

Will continue investigation to specify the exact organized crime connections of JOSEPH PHILLIP BALISTRIERI.

COVER PAGE  
B\*

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Milwaukee  
1 - Chicago (AIC, CFO, [REDACTED]) (RM)

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Report of: SA [REDACTED]  
Date: September 6, 1974

Office: MILWAUKEE

Field Office File #: MI 92-717

Bureau File #: 92-13997

Title: JOSEPH PHILLIP BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: JOSEPH PHILLIP BALISTRIERI and his father, LCN head, FRANK PETER BALISTRIERI, recently observed in Chicago, Illinois, conversing with unknown individual. JOSEPH BALISTRIERI continues to practice law in Milwaukee, Wisconsin, and is reportedly considering running for Milwaukee aldermatic city position. BALISTRIERI continues to frequent Milwaukee night spots controlled by organized crime figures.

- P -

## DETAILS:

MI T-1 advised on May 24, 1974, that JOSEPH PHILLIP BALISTRIERI and his father, FRANK PETER BALISTRIERI, head of Milwaukee La Cosa Nostra (LCN) family, have been observed in Chicago, Illinois, conversing with an unknown white male.

MI T-2 advised on [REDACTED] that JOSEPH BALISTRIERI was in [REDACTED] during the late evening of [REDACTED] BALISTRIERI was talking to [REDACTED] and at one point [REDACTED]

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/12/741

At approximately 1:58 p.m., a [redacted] bearing 1974 Wisconsin plates [redacted] was observed to be parked in the vicinity of [redacted] in Milwaukee. This vehicle was known by Special Agent [redacted] to be operated on occasion by [redacted] and records of the Wisconsin Department of Motor Vehicles reflect that 1974 Wisconsin plates [redacted] are registered to [redacted] Wisconsin, on a [redacted] Vehicle Identification Number (VIN) [redacted]. This license plate expires in [redacted].

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At approximately [redacted] whom Special Agent [redacted] recognized as being identical with [redacted] at which time he was approached by Special Agent [redacted] and requested to come to an FBI automobile located nearby for interview purposes.

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[redacted] agreed and several photographs were displayed [redacted] at which time, he recognized the photographs of FRANK PETER BALISTRIERI, [redacted] STEVE DE SALVO, and JOSEPH BALISTRIERI.

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[redacted] advised that he came to know the aforementioned individuals and [redacted]

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[redacted] Wisconsin. [redacted] advised that he

[redacted] and JOSEPH BALISTRIERI and [redacted]

Interviewed on 6/11/74 at Milwaukee, Wisconsin File # MI 31-3709

by SA's [redacted] and [redacted] (Gh/cmg)

Date dictated 6/12/74

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2

MI 92-717

CH/cmg

1

The following investigation was conducted by  
Special Agent [REDACTED] on June 17, 1974:

AT MILWAUKEE, WISCONSIN

On June 17, 1974, a visit was made to the law  
offices located in Room 1114, the Centre Building, located  
at 212 West Wisconsin Avenue, Milwaukee, Wisconsin.

A sign at the side of the entrance to Room 1114  
identified the occupants of this suite as [REDACTED]

JOSEPH P. BALISTRIERI and [REDACTED]

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MI 92-717

MI T-1 advised on [redacted] that JOSEPH  
BALISTRIERI is [redacted]  
[redacted] in Milwaukee.

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MI T-3 advised on [redacted]  
[redacted]  
[redacted]  
[redacted]  
has been advised presumably by FRANK BALISTRIERI  
according to source. [redacted]  
[redacted]

The following article appeared in the "Milwaukee  
Sentinel" newspaper on July 13, 1974:

(Mount Clipping in Space Below)

# Reported With Eye on Council Post

State Rep. Harout O. Sanasarian, (D-Milwaukee) and Atty. Joseph P. Balistreri are among six men considering, or reported to be considering, running for the 4th District aldermanic seat vacated recently by Ald. William R. Drew.

Others are Kevin D. O'Connor, staff assistant to the commissioner of city development; Odell Johnson, former director of the Concentrated Employment Program (CEP); Martin G. Smith, a sales clerk in a downtown department store; and former Ald. Robert J. Dwyer.

Sanasarian and Smith have taken out nomination papers at the City Election Commission office. Johnson's campaign manager, Ronald J. Thompson, has taken out papers for Johnson. O'Connor has his own papers printed.

Balistreri paid a visit to City Hall Friday and was reported to be considering running. He could not be reached for comment Friday night.

Balistreri is the son of Frank P. Balistreri, who has been described by Sen. John McClellan (D-Ark.) on the floor of the US Senate as head of one of the top Mafia families in the country.

Dwyer said late Friday that he would not be a candidate, but said his son, Michael, who will be a senior at Georgetown University Law School in Washington, D. C., this fall, might be a candidate.

Sanasarian, 45, has no opposition for re-election to the State Assembly. He has served three terms.

If Sanasarian runs for the al-

dermanic post and loses, he could still seek re-election to the Assembly.

The aldermanic primary, in which the field will be narrowed to two candidates, will be Aug. 13. The election is Sept. 10, the day of the fall primary for state and countywide for state and countywide offices is Nov. 5.

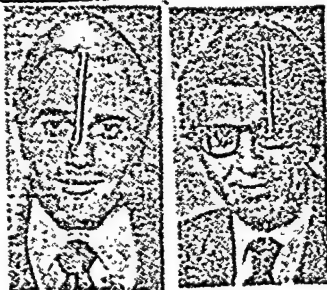
The salary for a state representative will be \$15,680 after the election. An alderman makes \$14,400.

O'Connor, 25, of 2616 W. Wells St., joined city government in the fall of 1972 as special assistant to Drew, who was council president. In July, 1973, O'Connor became staff assistant to Edward J. Hayes, commissioner of city development.

Hayes last week stepped down from the post, and Mayor Maier named Drew the new commissioner. O'Connor now serves Drew as staff assistant. O'Connor's chief duty in the post is liaison with the council.

Smith, 20, a sales clerk in the camera department of Gimbels' downtown store, is campaign treasurer for Peter De Rosa, the Republican candidate for County Treasurer.

Johnson, 36, of 2507 N. Rich-



Balistreri Sanasarian

ards St., could not be reached. Johnson was named CEP director in March, 1973. He formerly was one of the operators of the Midcity Supermarket at 939 W. Burleigh St., the first large black owned supermarket in the inner city.

Dwyer, 53, was the 4th District alderman from 1964 to 1968, when he was defeated by Drew. Dwyer operates an insurance agency.



MI 92-717

MI T-4 advised on [redacted] that  
JOSEPH BALISTRIERI is frequenting [redacted]  
[redacted]  
Source advised that [redacted]  
[redacted] however,  
BALISTRIERI and [redacted]  
[redacted]

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MI 92-717

HWC:cal

1

The following investigation was conducted by  
Special Agent [redacted]

At Fort Atkinson, Wisconsin

[redacted] fur-  
nished the following information on [redacted]

[redacted]

which included JOSEPH BALISTRERI, an attorney in Mil-  
waukee, Wisconsin. [redacted] advised [redacted]

[redacted] and did not furnish him any  
further information. [redacted] became concerned about

[redacted] JOSEPH BALISTRERI who he linked through  
publicity to FRANK BALISTRERI, the alleged head of the  
Milwaukee "Mafia family". [redacted] advised that BALIS-  
TRIERI [redacted]

[redacted] He has had no further inquiry on the  
matter.

[redacted] could not pinpoint [redacted]

[redacted]

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - UNITED STATES ATTORNEY, MILWAUKEE  
1 - AIC, CHICAGO FIELD OFFICE [REDACTED] (RM)

Report of: SA [REDACTED]  
Date: FEBRUARY 11, 1975

Office: MILWAUKEE

b6  
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Field Office File #: MI 92-717

Bureau File #: 92-13997

Title: JOSEPH PHILLIP BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: Information received that JOSEPH PHILLIP BALISTRIERI  
[REDACTED]  
[REDACTED] in Milwaukee. BALISTRIERI continues to  
associate with Milwaukee La Cosa Nostra (LCN) associates  
and perhaps [REDACTED] Milwaukee organized  
crime figure. [REDACTED]  
[REDACTED]

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-P-

DETAILS

MI T-1 advised on [REDACTED] that JOE BALISTRIERI  
is [REDACTED]  
in Milwaukee and [REDACTED]  
[REDACTED] Source advised that while BALISTRIERI [REDACTED]  
[REDACTED]

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MI T-2 advised on [REDACTED] that source saw  
JOEY BALISTRIERI and [REDACTED]  
[REDACTED]

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b7D

MI 92-717

MI T-3 advised on [REDACTED]  
recently advised source that [REDACTED]

b6  
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[REDACTED]  
[REDACTED] Source advised  
[REDACTED]

MI T-4 advised on [REDACTED] that he had heard  
[REDACTED]

b6  
b7C  
b7D

On November 27, 1974, investigation revealed JOSEPH BALISTRIERI is in possession of a new automobile, that being a white Lincoln Continental Mark IV, which vehicle is parked on numerous occasions at the rear of the Shorecrest Hotel, 1962 North Prospect Avenue, Milwaukee.

MI T-5 advised on [REDACTED] that Milwaukee organized crime figure [REDACTED] that JOSEPH BALISTRIERI [REDACTED]

b6  
b7C  
b7D

[REDACTED]  
[REDACTED] Source advised that in the opinion of the source, FRANK BALISTRIERI, JOSEPH BALISTRIERI's father, [REDACTED]  
[REDACTED]

MI T-3 advised on [REDACTED] that he has determined that [REDACTED]  
[REDACTED]

b6  
b7C  
b7D

[REDACTED] Source advised, however, that there was  
[REDACTED]

## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>MILWAUKEE</b>	OFFICE OF ORIGIN <b>MILWAUKEE</b>	DATE <b>5/21/75</b>	INVESTIGATIVE PERIOD <b>2/6/75 - 5/6/75</b>
TITLE OF CASE  <b>JOSEPH PHILLIP BALISTRIERI</b>		REPORT MADE BY SA <span style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em; vertical-align: middle;"></span>	TYPED BY <b>nma</b> b6 b7C
		CHARACTER OF CASE  <b>AR</b>	

REFERENCEMilwaukee report of SA , dated 2/11/75.b6  
b7C

- P -

ADMINISTRATIVE

The investigative period of this report pre-dates that of previously submitted Milwaukee report dated 2/11/75 in that source information is included in the details of this report which was not available upon submission of re report.

ACCOMPLISHMENTS CLAIMED				<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES		
					none	PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

APPROVED <i>HCM</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE: 3 - BUREAU (92-13997) (RM) 1 - USA, MILWAUKEE 1 - CHICAGO (AIC, CFO, <span style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em; vertical-align: middle;"></span> ) 2 - MILWAUKEE (92-717)		<b>92-13997-11 REC-9</b> <b>14 MAY 27 1975</b> <b>ST. 114</b>	

b6  
b7C

Dissemination Record of Attached Report			
Agency	CC. AAG, Criminal Division,		
Request Recd.			
Date Fwd.	Organized Crime and Racketeering		
How Fwd.	Section, Room <b>2744</b>		
By	<b>JUN 03 1975</b>		

Notations

*DATA PROC*  
*DATE*  
*11/11/75*

MI 92-717

The Bureau is advised that Milwaukee County District Attorney's Office. Milwaukee. Wisconsin has been [redacted]

[redacted] in the Milwaukee area. The Milwaukee Office of the FBI has made available several witnesses to the District Attorney's Office who have furnished pertinent information [redacted] in Wisconsin. One of these individuals, [redacted] formerly MI [redacted] subject Milwaukee file [redacted] has furnished information to Assistant District Attorney [redacted] that JOSEPH PHILLIP BALISTRIERI [redacted]

b6  
b7C  
b7D

[redacted] Assistant District Attorney [redacted] is seeking charges against BALISTRIERI for these violations and is attempting to obtain corroborative evidence. The Milwaukee Office is cooperating fully in this endeavor.

[redacted] subject mentioned in the details of this report, as being an associate of JOSEPH PHILLIP BALISTRIERI, is subject of pending Milwaukee file [redacted]

b6  
b7C

#### INFORMANTS

MI T-1 is MI [redacted] contacted by SA [redacted] on February 6, 1975.

b6  
b7C  
b7D

MI T-2 is MI [redacted] contacted by SA [redacted] on April 4, 1975.

#### LEADS

#### MILWAUKEE DIVISION

##### At Milwaukee, Wisconsin

Will continue to conduct investigation to determine extent of Organized Crime activities perpetrated by JOSEPH PHILLIP BALISTRIERI.

COVER PAGE B\*

## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>MILWAUKEE</b>	OFFICE OF ORIGIN <b>MILWAUKEE</b>	DATE <b>7/24/75</b>	INVESTIGATIVE PERIOD <b>6/12/75 - 7/2/75</b>
TITLE OF CASE <b>JOSEPH PHILLIP BALISTRIERI</b>		REPORT MADE BY <b>SA [REDACTED]</b>	TYPED BY <b>dmb</b> b6 b7C
		CHARACTER OF CASE  <b>AR</b>	

REFERENCES

Milwaukee report of SA [REDACTED], dated 5/21/75.  
 Milwaukee letter to WFO, dated 6/5/75.  
 WFO letter to Milwaukee, dated 7/17/75.

b6  
b7C

- P -

INFORMANTS

MI T-1 is MI [REDACTED] contacted by SA [REDACTED]  
 on 6/12/75.

b6  
b7C  
b7D

The source providing information in the details  
 of this report concerning JOSEPH BALISTRIERI's [REDACTED]  
 [REDACTED]

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS  NONE	CASE HAS BEEN:  PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES			
APPROVED  COPIES MADE:  ③ - Bureau (92-13997) 2 - Milwaukee (92-717)						SPECIAL AGENT IN CHARGE  DO NOT WRITE IN SPACES BELOW  92-13997-12 REC-24  9 JUL 31 1975  ST 11	
Dissemination Record of Attached Report						Notations	
Agency	1 CC, AAG, Criminal Division					NONE	
Request Recd.	Organized Crime and Racketeering					DATA PROC	
Date Fwd.	Section, Room 2744						
How Fwd.							
By							

AUG 6 1975

FBI - 5-75

COVER PAGE

MI 92-717

LEAD

MILWAUKEE DIVISION

At Milwaukee, Wisconsin

Will continue to conduct investigation to show  
the extent of organized crime activities perpetrated by  
JOSEPH PHILLIP BALISTRIERI.

COVER PAGE B\*



UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

## Copy to:

Report of: SA [REDACTED]  
Date: JULY 24, 1975

Office: MILWAUKEE

b6  
b7C

Field Office File #: MI 92-717

Bureau File #: 92-13997

Title: JOSEPH PHILLIP BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: JOSEPH PHILLIP BALISTRIERI has been said to [REDACTED]  
[REDACTED] Information  
developed which shows that BALISTRIERI [REDACTED]  
[REDACTED]

b6  
b7C  
b7D

- P -

## Details:

MI T-1 advised on [REDACTED] that he has  
recently heard JOSEPH BALISTRIERI has been [REDACTED]  
[REDACTED]  
[REDACTED] but he will  
obtain further details..

b6  
b7C  
b7D

The Washington Field Office advised that  
United States Government records show that as reviewed  
on July 2, 1975, by Special Agent [REDACTED]  
JOSEPH PHILIP BALISTRIERI was [REDACTED]  
[REDACTED]

b6  
b7C  
b7D

MI 92-717

BALISTRERI showed his date of birth as September 8, 1940, at Milwaukee, Wisconsin, and his birth certificate [REDACTED]

b7D

[REDACTED] He listed his father as FRANK P. BALISTRERI, born at Milwaukee, Wisconsin, on May 27, 1918, and his mother as ANTONINA ALIOTO, born at Milwaukee, Wisconsin, on January 11, 1920, both United States citizens. He stated that he was never married. In the event of accident or death, he requested that his father, FRANK P. BALISTRERI, 3043 North Shepard, Milwaukee, be notified. He listed 3043 North Shepard Avenue, Milwaukee, as his permanent residence and requested that his passport be mailed to him at 211 West Wisconsin Avenue, Milwaukee, telephone number 273-1512. He identified himself with Wisconsin Driver's License number B423-4954-0328-0.

The following description appeared on his application:

Height	6 feet
Hair	Brown
Eyes	Brown
Occupation	Attorney
Social Security Account Number	391-40-2562

## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>MILWAUKEE</b>	OFFICE OF ORIGIN <b>MILWAUKEE</b>	DATE <b>9/3/75</b>	INVESTIGATIVE PERIOD <b>7/3/75 - 9/2/75</b>
TITLE OF CASE <b>JOSEPH PHILLIP BALISTRIERI</b>		REPORT MADE BY SA <span style="border: 1px solid black; display: inline-block; width: 150px; height: 1.2em; vertical-align: middle;"></span>	TYPED BY pms b6 b7C
		CHARACTER OF CASE  <b>AR</b>	

REFERENCE: Milwaukee report of SA  7/24/75.

- G -

ADMINISTRATIVE

It is noted for the information of the Bureau that subject is  who was indicted by a Federal Grand Jury, Milwaukee, Wisconsin, on  and others (MI 92-1468), and the case is scheduled for trial on . It is the opinion of Milwaukee that the investigation of JOSEPH BALISTRIERI should be closed .

b6  
b7C  
b7E

ACCOMPLISHMENTS CLAIMED					<input checked="" type="checkbox"/> NONE	ACQUIT- TALS	CASE HAS BEEN:  PENDING OVER ONE YEAR <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
CONVIC.	FUG.	FINES	SAVINGS	RECOVERIES			
APPROVED					SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:						<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>92-13797-13</b> </div> <div style="float: right; text-align: right;"> <b>REC 68</b>   <b>EX-103</b> </div>	
3 - Bureau (92-13997) 1 - USA, Milwaukee, Wisconsin 1 - Milwaukee (92-717)						<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>6 SEP 8 1975</b> </div>	
Dissemination Record of Attached Report						Notations	
Agency	CC, WAG, Criminal					<div style="border: 1px solid black; padding: 10px; transform: rotate(-15deg); display: inline-block;"> <b>NINE</b>  <b>DATA PROC</b> </div>	
Request Recd.	Division, Organized Crime						
Date Fwd.	Racketeering Section						
How Fwd.	Room 2740						
By							

**56 SEP 16 1975**

COVER PAGE

MI 92-717

This matter will be reopened at the conclusion



b6  
b7C

- B\* -

COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Milwaukee, Wisconsin

Report of: SA [REDACTED]  
Date: September 3, 1975

Office: Milwaukee, Wisconsin

b6  
b7C

Field Office File #: 92-717

Bureau File #: 92-13997

Title: JOSEPH PHILLIP BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: Subject [REDACTED]  
[REDACTED] Madison,  
Wisconsin, on [REDACTED] Subject [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]b6  
b7C  
b7D

- C -

DETAILS:

The following are newspaper clippings from "The Milwaukee Journal" and "Milwaukee Sentinel" regarding JOSEPH BALISTRIERI's testimony before a John Doe investigation in Madison, Wisconsin:

(Mount Clipping in Space Below)

## Balistreri's Subpenaed To Testify

Frank Balistreri and his son, Atty. Joseph P. Balistreri, have been subpenaed to testify Wednesday at a John Doe investigation in Madison into Recreation International, Inc., it was learned Tuesday.

Leo W. Roethe, Fort Atkinson businessman, was a former director and major stockholder in the now defunct Recreation International.

Peter. Peshek, an assistant attorney general, refused to confirm that the Balistreris had been subpenaed to testify at the Doe being conducted by Dane County Judge William F. Eich.

Sources, however, said that both Frank and Joseph Balis-

trieri were scheduled to appear Wednesday afternoon.

It is expected that they may be questioned about an attempt by Roethe to obtain a



J. Balistreri F. Balistreri

multi-million-dollar loan from the Teamsters Union's Central States Pension Fund.

Roethe has testified during a deposition in a civil case that he unsuccessfully attempted to negotiate a \$10 million loan from the Teamsters in 1973.

Roethe said he tried to obtain the loan in order to consolidate his debts.

During the deposition, he said he personally negotiated the proposed loan with a pension fund official for about eight months.

Frank Balistreri, a former nightclub operator, served time in federal prison after being convicted of income tax evasion.

Witnesses are called to testify at a John Doe to give information. It does not mean they are suspected of wrongdoing.

(Indicate page, name of newspaper, city and state.)

A-1  
Milwaukee Sentinel  
Milwaukee, Wisconsin

Date: 8/13/75

Edition: Final

Author:

Editor: Robert H. Wills

Title:

Character:

or

Classification:

Submitting Office: Milwaukee

☐ Being Investigated

(Mount Clipping in Space Below)

# Atty. Balistreri Won't Reply at Doe

Special to The Journal

Madison, Wis. — Joseph P. Balistreri, a Milwaukee lawyer, testified Wednesday that he was attorney of record for Fort Atkinson businessman Leo W. Roethe during a period in 1973 while Roethe was seeking a \$10 million loan from a Teamsters Union pension fund.

Balistreri, who has been linked in the past to Teamsters Union pension fund loans, refused to answer questions at a John Doe hearing on the ground of an attorney-client relationship with Roethe.

## Wanted to Buy Stock

The Milwaukee Journal reported last September that Roethe borrowed \$50,000 from the Bank of Fort Atkinson during 1973 to pay Balistreri to arrange the loan.

Roethe wanted to use the loan proceeds to buy 800,000

shares of stock in Nasco International, Inc., a company he then headed, and to pay debts.

Dane County Judge William Eich ordered Balistreri Wednesday to show cause why he should not be held in contempt of court for refusing to answer questions.

The hearing was set for next Tuesday.

Eich said he had no reason to believe that an attorney-client relationship existed between Balistreri and Roethe.

Another Milwaukee attorney, Eugene F. Smith, represented Roethe during August, 1973, on matters relating to the pension fund loan.

## On African Safari

Smith held a power of attorney for all of Roethe's affairs while Roethe was on a big



Joseph P. Balistreri

game hunting safari in Africa. Roethe was mauled by a lion during that trip and did not return home until October, 1973.

The pension fund loan failed after two banks involved in the deal, the First National Bank of Fort Atkinson and the First

National Bank of Waukesha, disagreed with pension fund advisers about matters of collateral.

Roethe was declared bankrupt Aug. 14 in US Bankruptcy Court here.

The pension fund loan is part of a statewide bank fraud investigation being conducted by the Organized Crime Unit of the State Justice Department.

(Indicate page, name of newspaper, city and state.)

The Milwaukee Journal  
Milwaukee, Wisconsin

Date: 8/28/75

Edition: Latest

Author:

Editor: Richard H. Leonard

Title:

Character:

or

Classification: 92-717-

Submitting Office: Milwaukee

☐ Being Investigated

(Mount Clipping in Space Below)

# Roethe Tells Of Balistrieri Loan Advice

By DENNIS J. SIEG

Atty. Joseph P. Balistrieri advised Leo W. Roethe on how to obtain a \$10 million loan from the Teamsters Union's pension fund, according to secret John Doe testimony by Roethe made public Thursday.

However, Roethe's testimony contradicted Balistrieri's claim that he represented Roethe in negotiations for the loan.

"He was representing the — not representing me. He was representing the (Teamsters Union's) Central States Pension Fund," Roethe testified.

Portions of Roethe's testimony before the John Doe, which is investigating Recreation International and related matters, were made public as part of an order for Balistrieri to show cause why he should not be held in contempt for refusing to answer a question at the John Doe Wednesday.

## Attorney Questioned

An attorney from the Division of Criminal Investigation of the State Department of Justice had asked Balistrieri:

"Would you please relate to us any conversations or dealings that you have had at any time within the last six year period in the State of Wisconsin regarding the borrowing of moneys from any source, by or on behalf of Leo W. Roethe?"

Balistrieri, in refusing to answer, claimed an attorney-client privilege.

"I believe I represented him in a professional capacity, and I don't think I am able to disclose the content of our conversation," Balistrieri said.

## Earlier Testimony

However, Roethe testified earlier this year that Balistrieri had never represented him on any matter.

"He (Balistrieri) told me though at one time that — what I had to do to get the money," Roethe testified.

"I mean he gave me — he is the man that instructed me as to what I had to do — that I had to come up with 15% commission or 15% participation from the banks in order to get the loan.

"I never paid him anything, and I never hired him."

Roethe earlier this year testified in connection with a civil suit that he attempted to obtain the \$10 million loan from the pension fund in 1973 in order to consolidate his debts.

Two state banks would have participated in the loan for a total of \$1.5 million.

Roethe testified at the John Doe that Balistrieri never billed him for anything "because he didn't accomplish anything."

"And he was told by the pension fund that they would not let him represent me, that it had to be directly from me," Roethe testified.

When he was asked whether he was satisfied that Balistrieri had not represented him, Roethe replied:

"I do not know the law, but all I know is that I did talk to him about this loan, and he was helpful; he was very helpful."

After Balistrieri refused to discuss his conversations with Roethe, Dane County Judge William F. Eich ordered him to show cause why he should not be held in contempt.

Eich said he had reason to believe that the attorney-client privilege claimed by Balistrieri

did not exist. He set a hearing for Tuesday on the order.

Balistrieri and his father, Frank P., have been identified by federal authorities as associates of Frank H. Rannity, a trustee of the pension fund, which has assets of about \$1 billion.

(Indicate page, name of newspaper, city and state.)

A-1  
Milwaukee Sentinel  
Milwaukee, Wisconsin

Date: 8/29/75

Edition: Final

Author:

Editor: Robert H. Wills

Title:

Character:

or

Classification: 92-717-

Submitting Office: Milwaukee

☐ Being Investigated



(Mount Clipping in Space Below)

# State Loses Trail of \$50,000

Special to The Journal

Madison, Wis. — The State Justice Department has lost the trail of \$50,000 allegedly paid by Leo W. Roethe to Joseph P. Balistreri for help in seeking a \$10 million loan from a Teamsters Union pension fund, according to sources close to the case.

Roethe, of Fort Atkinson, has admitted that Balistreri, a Milwaukee lawyer and hotel owner, helped him seek the loan. But Roethe has denied that he paid any money to Balistreri.

Other persons involved in the deal, however, have said Roethe got a \$50,000 loan in 1973 from the Bank of Fort Atkinson and used the money to pay Balistreri.

## Testimony Conflicts

What Balistreri did with the money remains a mystery, according to a source with knowledge of the case. The loan never was made.

Roethe said Wednesday in sworn testimony during a John Doe investigation here that Balistreri did not serve as his lawyer, but instead represented the Teamsters Union's Central States, Southeast and Southwest Areas Pension Fund.

Balistreri testified, however, that he did represent Roethe as an attorney.

"I believe I represented him in a professional capacity, and I don't think I am able to disclose the content of our conversation," Balistreri said.

Dane County Judge William

F. Eich said the testimony indicated that Balistreri was not Roethe's attorney. Eich ordered Balistreri to appear in court Tuesday to show cause why he should not be held in contempt of court for refusing to answer questions at the John Doe.

Attorneys cannot be forced to testify against their clients without the client's permission.

The connection between Roethe and Balistreri is part of a statewide bank fraud investigation being conducted by the Organized Crime Unit of the State Justice Department.

Roethe was involved with other persons, including John T. Stone Jr. of Madison, who borrowed about \$5 million from seven banks during 1973, then failed to repay the money.

(Indicate page, name of newspaper, city and state.)

B-1  
The Milwaukee Journal  
Milwaukee, Wisconsin

Date: 8/29/75

Edition: Latest

Author:

Editor: Richard H. Leonard

Title:

Character:

or

Classification: 92-717-

Submitting Office: Milwaukee

☐ Being Investigated

(Mount Clipping in Space Below)

# Balistrieri Decides To Testify at Doe

By DENNIS SIEG

Sentinel Staff Writer

Madison, Wis. — Atty. Joseph P. Balistrieri agreed Tuesday to testify at a secret John Doe investigation here on his conversations with Leo W. Roethe about Roethe's 1973 attempt to obtain a \$10-million loan from the Teamster's Unions' pension fund.

Balistrieri last week had refused to testify, citing an attorney-client privilege.

Dane County Judge William F. Eich then granted a motion by Asst. Atty. Gen. Peter Peshek that Balistrieri be ordered to show cause why he should not be held in contempt for refusing to answer.

Eich said that he had reason to believe that no attorney-client relationship had existed between Roethe and Balistrieri.

At a hearing here Tuesday on Eich's order, Roethe said he would waive any attorney-client privilege that might have existed.

However, Roethe stood by his earlier testimony that he had never retained or paid Balistrieri for any legal services.

The John Doe, being conducted by the Division of Criminal Investigation of the State Department of Justice, is investigating bank fraud and other matters surrounding Recreation International, Inc., sources said.

In secret John Doe testimony made public Tuesday, it was revealed that Balistrieri testified on Aug. 13, that he had acted as Roethe's attorney.

Tells of Services

"I rendered services to Mr. Roethe in my professional capacity and I have a legitimate belief that those services were as a lawyer and as an attorney," Balistrieri testified.

He said he first represented Roethe in late 1972 or early 1973.

"I did have conversations with him in 1973 though concerning my professional services," he said. "That I recall."

When he was asked whether he was paid a retainer fee by Roethe, Balistrieri refused to answer, saying that the matter of fees fell within the attorney-client relationship.

When he was instructed by the judge that a retainer fee did not fall within the attorney-client privilege, Balistrieri answered, "In that case, I was paid no retainer fee by Mr. Roethe."

Balistrieri said he no longer represents Roethe, but could not recall exactly when his services ended.

Discussed Loan

Roethe has testified before the John Doe that he did discuss the loan from the Teamster's Unions' Central States Pension Fund, but that he did not pay Balistrieri for any services.

When Roethe was asked "How did he (Balistrieri) figure in," Roethe replied:

"He was representing the — not representing me. He was representing the Central States Pension Fund."

Balistrieri received no payments from the pension fund for legal services during 1973, according to an annual report filed by the fund with the US Department of Labor.

Peshek Tuesday asked that the order to show cause be dismissed if Balistrieri testifies at a Sept. 24 John Doe session about his conversations with Roethe.

(Indicate page, name of newspaper, city and state.)

Milwaukee Sentinel  
Milwaukee, Wisconsin

Date: 9/3/75  
Edition: Final

Author:  
Editor: Robert H. Wills  
Title:

Character:  
or

Classification: 92-717  
Submitting Office: Milwaukee

☐ Being Investigated

MI 92-717

On August 20, 1975, "The Milwaukee Journal" reported that ANTHONY C. CIMINO was going to rent restaurant space at the Shorecrest Hotel owned by JOSEPH BALISTRIERI. CIMINO will rent the restaurant for \$1,500.00 per month.

On August 29, 1975, a spot check at the Shorecrest Hotel, 1962 North Prospect Avenue, revealed a 1975 beige over white Lincoln Continental, two door, bearing Wisconsin license A30679. Inquiry through the Department of Motor Vehicles, Madison, Wisconsin, indicated this vehicle is registered to JOSEPH P. BALISTRIERI, 3043 North Shepherd, Milwaukee, Wisconsin.

On the same date a [redacted] was observed bearing Wisconsin license [redacted]. An inquiry through the Department of Motor Vehicle, Wisconsin, indicated this vehicle was registered to [redacted] [redacted] Wisconsin.

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b7c

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INCONS MAR 11 1976

Out Cor 3/24/76 gnr

FEB 11 11 22 AM '76

REC'D  
CORRESPONDENCE REVIEW  
F B I

40-36

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00

MI 92-717

The following article appeared in the Milwaukee Sentinel  
Newspaper on April 10, 1974:

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

IRS

1-USA, MILWAUKEE  
1-CHICAGO (ATTORNEY IN CHARGE, AIC, CHICAGO FIELD OFFICE,

Copy to:

Report of:  
Date:

SA [REDACTED]  
February 9, 1972

Office: MILWAUKEE

b6  
b7C

Field Office File #:

MI 92-809

Bureau File #: 92-11514

Title:

ANTI-RACKETEERING

Character:

Synopsis:

Informants advised that [REDACTED] had  
caused FRANK BALISTRIERI problems [REDACTED]

b6  
b7C  
b7D

[REDACTED]

-P-

DETAILS:

On [REDACTED] MI T-1 advised [REDACTED] had  
caused FRANK BALISTRIERI problems [REDACTED]

b6  
b7C  
b7D

[REDACTED]

b6  
b7C

ENCLOSURE 92-13997-15

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

① - Chicago AIC. Chicago Field Office,  
[redacted]

Report of:

SA [redacted]

Office:

MILWAUKEE

Date:

APRIL 19, 1973

Field Office File #:

MI 92-1118

Bureau File #: 92-14174

Title:

[redacted]

Character:

ANTI-RACKETEERING

Synopsis:

On [redacted] MI T1 advised an individual known as [redacted]  
who lived [redacted][redacted]  
[redacted] black hair, brown eyes, Social  
Security Number [redacted] On [redacted] MI T2 advised  
[redacted]

-P-

Details:

[redacted]

b6  
b7Cb6  
b7C  
b7Db6  
b7C

MI 92-1118

Investigation was predicated on information received on [redacted] from MI T1. He advised a [redacted]

[redacted] He further advised that he [redacted]

[redacted] MI T1 advised [redacted]

[redacted] MI T1 also stated [redacted]

b6  
b7C  
b7D

On [redacted]

[redacted] Milwaukee Police Department. advised his files reflected that [redacted]

b6  
b7C  
b7D

On the same date a review of the files in the Milwaukee Division with reference to [redacted] reflected the following background information:

b6  
b7C

Race  
Sex  
Date of birth  
Place of birth  
Height  
Weight  
Build  
Hair  
Eyes

[redacted]  
Black  
Brown